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Towards a Re-Appraisal of the Dravidian/Non-Brahmin Movement

Health in India During a Period of Economic Adjustment

CONTENTS

Editorial—*Some Highlights*

General Economic Scene 435

Agricultural Development in Tamil Nadu 444

Industrial Development in Tamil Nadu 447

Education, Science and Health 450

Employment and Labour Relations 453

Other Items 454

MIDS News 455

September Development Seminar

Towards a Re-Appraisal of the Dravidian/Non-Brahmin Movement 456
— Ms. V. Geetha and Mr. S. V. Rajadurai

Summary of Discussion 463

Health in India During a Period of Economic Adjustment 465

Book Review 477

EDITORIAL - SOME HIGHLIGHTS

I. General Economic Scene

State

Climate and Prices

The first half of August which this editorial covers witnessed the usual monsoon weather in the state - with heavy rains which also covered the catchment areas. During this period, the rains also spread to the north of state, as Madras and Dr. M.G.R. - Chengai district experienced good showers of help to the farmers engaged in kuruvai cultivation and preparation for samba, as well as drinking water for the parched areas and drying up wells. On prices, there is no further issue of CSO's monthly abstract after the March 1992 issue which has been reported in the last issue.

Power

The power situation in the state was normal, with no power cut in the first half of August. Given the tight situation on coal for the thermal plants, the state is very interested in the import of thermal grade low ash content coal from Australia for power generation, due to the high cost of transporting coal from the northern and eastern regions of the country. Australia is already a major supplier of coking coal to the country's steel plants and the import of coal can be financed by the increased export earnings. Further, Australia has expressed interest in joint production of coal from the mines when the private and foreign participation is approved.

The power situation in the country in the first half of August was a mixed one - with Karnataka, AP, Bombay and West Bengal taking advantage of the heavy rains to step up hydel production. In Kerala, however, the heavy monsoon has passed by the catchment areas. Delhi and Rajastan continues to have power cuts and Orissa has imposed 60 to 50 per cent power cuts on industries and announces that these cuts which were announced

in early August will continue till August 1, 1993. On the other hand, fresh power generation capacity of 710 MW is to be located in the Eastern region - with 210 MW of Kolaghat thermal and 500 MW of the first unit of Farakka Super thermal. Moreover West Bengal will be helped as the first unit of Santaldeh reserves are greater in Bengal. The Board on the private sector is setting up a task force which has reviewed the proposal of the Modi group for supplying power to Delhi. There are 3 proposals of foreign companies which have submitted MOUs for 7 projects located in 6 states and one MOU for 1000 MW as coal based thermal plant costing Rs. 2500 crores. The power sector as a whole is not only resource starved, it faces cost over runs in the cost of 31 projects of near 80 per cent (Rs. 14,000 crores) and time over runs in the case of 33 out of 39 project, ranging from 1 month to 128 months. The result is that in 1991-92 there was a 50 per cent project slippage (908 MW against the target of 1990 MW) and a similar problem faces this year's target of 2890 MW. A further problem is the large Rs. 1383 crores that the state electricity boards owe the central utilities - NTPC, NPTC, NHPC, DVC, NEEPL, REC and PFC plus Rs. 1383 crores as dues pending from 1990. So the government decided to recover Rs. 1676 crores due to the state board from the plan assistance to the states. The recovery is to be in 4 equal instalments per year during the next 4 years, starting with cutting Rs. 1107 crores from the Plan fund to the states. This will affect the state plans and their development growth. The government reports to parliament that 27 power projects including 5 projects in the central sector face cost over runs and due to inadequacy of finances will be delayed.

Transport

The government reports that the fuel conservation cells of the transport corporations in the state have helped achieve 40 per cent fuel savings. This was due to the effective training programme for drivers and weekly monitoring of performances. On driving 10 per cent fuel costing over Rs. 1000 crores (17 lakh tonnes) is saved and efficient fuel management association like eliminating wastages, cutting down mileage report norms for changing engines. Overloading increases petrol consumption. Of the 80 per cent fuel consumed by the transport sector in the state, 60 per cent was by the private and unorganised sector. Gas and oil consumption which was 18.6 per cent in 1961 has shot up to 38 per cent in 1991, of which Rs. 120 crores can be saved by the recommendations of the fuel efficiency team.

Urban Development

The state's food department has launched a scheme to eliminate bogus billing and under weighment in fair price shops in the urban areas. To start, 3600 fair price stalls in corporations and municipalities have been chosen and in 3 months the two serious problems will be eliminated-by October 15. Under sample checking, 25 houses are checked in each area every day in Madras and junior inspectors have been appointed, who see that foodgrains and other commodities are weighed properly and reach the retail outlets from the civil supplies godown-to avoid the shortages of 2-3 kgs found in each bag.

Water

The south west monsoon is in full

play in the southern district. As far as Madras city is concerned, the rains have not raised the levels in the Red Hills, Sholavaram and Poondi reservoirs, but their combined storage of 2000 mcft is enough to meet the requirement of the 35 lakhs residents at a daily 55 million gallons till November/December. If there is continuous rains for 3/4 days in the latter half of August, the levels will rise.

State government loans

The second tranche of 21 state government loans aggregated to Rs. 12000 crores during 1992-93. The loans vary from Rs. 215 crores for the UP government (the highest) to Rs. 1·51 crores for Meghalaya (the lowest). Tamil Nadu's loan is Rs. 85 crores.

National

Plan

The state governments have been asked to devolve more authority and financial resources and freedom to frame district plan. Maharashtra, Gujarat UP, Karnataka and J&K have taken steps to implement scheme of preparation of district plan. MP, Kerala, AP, HP are reported to be making changes in that direction. To enable the states to prepare district plan, Union Planning Commission assistance is being provided as block loans and grants under the scheme of strengthening of planning machinery at the state and district levels. The Planning Commission had model plans for 5 districts prepared as a model by the National Institute of Rural Development. On this basis, guidelines for the preparation of district Plans have been prepared and sent to the states. The VIII Plan emphasises the importance of district plans and has incorporated in it the scheme and strengthening the planning machinery at the state and district levels to this end during the VIII Plan.

Prices

Inflation during July registered a rise of 1 per cent on a point to point basis, the wholesale price index standing at 224.9 as at July 25 compared to 222.8 on June 27. For the year, the index fell sharply from 11.34 per cent at 22 June to 9.3 per cent on July 25. Thus the ministry forecast of inflation being reduced to a single digit figure has occurred. The index for the major group of pricing article rose for wheat, maize, gram, agar, moong, monsoon relief with the prices of non food articles, soya bean and fodder, raw coal and raw cotton. The dramatic decline of the annual rate of inflation to one digit figure is due to the unusual rise in prices in the same period in 1991 due to the double impact of currency devaluation and the 1991 budgetary imposts. Hence the small increase in prices for July, the rates of inflation is dropping and will be further dropping at the end of August as it reached a peak rate of 16.7 per cent in August 1991. The fall in prices are due to the stricter fiscal and monetary policies beginning to bite and deflating demand inflation. There are some cautions to be sounded on this decline. First, the figures on which the declines is based are provided and in the final figures there may be a percentage point rise. Second, it needs to be remembered that the wholesale prices are less relevant to the ordinary man than the consumer price index which for industrial workers are 2 points above the wholesale index. There are other cautions to be borne in mind - such

as the coming cut in fertiliser subsidy which will be compensated by rise in its prices, the full convertibility of the rupee will lead to rising petroleum prices and their multiple effect on the economy, and finally the issue price of wheat and rice are to be raised - all this will lead to increase in the rate of inflation and move the terms of trade against the farmers, who has not been a beneficiary in terms of trade vis a vis manufactures.

Stock Exchange

From August 15, the stock exchange called "over the counter Exchange of India (OTCEI) became operational, with the commencement of the OTCEI computerised dealer network in Bombay. As an electronic screen based stock exchange, it makes trading in stocks and shares easy. It has a nation wide reach, enabling widely disbursed trading in Delhi, Calcutta, Madras, Cochin and Baroda. This system makes the stock exchange more accessible to the investigator and will bring the stock exchange to the street corner. The question facing OTCEI is its viability, because the investment needed to create its infrastructure is large and the task of creating a net work of computers and deal is a large one. Only time can tell whether OTCEI will meet all these problems while increasing the liquidity of the investor. On the existing exchange, despite the strict information disclosure norms introduced by SEBI last year, for companies issuing shares to the public, company promoters and merchant bankers are flouting these requirements. The only way to deal with these violations is to provide for the imposition of heavy penalties by SEBI on the companies violating the guidelines. Shares of 31 public sector undertakings, from which the government has disinvested part of the equity holdings have been listed in the stock exchange and active trading in these has started. The Security scam which is being investigated by SBI, is now taken up by 30 member Joint Parliamentary Committee with Dr. R. N. Mirdha as chairman and will bring to light many issues and persons involved in it, without fear or favour. The institutional membership on the stock exchanges are now playing a critical role in channelising large portfolio funds of overseas investors. They are permitted to enter the Indian Capital banks through local branches and institutional investors who will work as brokers for overseas investors. SEBI has decided and reviewed its decision on participation of mutual funds and venture capital in equity of companies on the basis of firm allotment.

Nadkarni Committee Report

The committee on trading for public sector bonds and units of mutual funds submitted its report in early August to RBI recommending the continuance of the RPO transactions provided they are only limited to banks, mutual funds and financial institutions. The report highlights are : 1) Repurchase Operation in bonds (Repos) should continue only with Banks : 2) Money market broking to be suggested from stock broking : 3) there should be phased Electronic Clearance and Depository System (ECDS) : 4) BRs should continue till the completion of Phase I of ECDS : 5) Terms of issue of PSU bonds should be market based : and 6) Secondary market in units should be contracted. The committee concedes that the secondary market of UTI has performed a useful purpose, but has asked UTI to review whether it should have both the

corporate and individual investors in the same scheme, since the needs of the 2 are different. It has also recommended that issue of task force bonds should be reviewed so that the distortions they produce may be avoided. The Nadkarni report which is a continuation of the Repo report is now under examination of RBI.

Economy

NCAER in its January-March review states that the growth rate for 1991-92 is likely to be between 1 5 to 2 per cent, its lowest since 1980-81. This is much lower than its earlier projection of 3 to 4 per cent less than of the shortfall in both the major production section of agriculture (when the growth is likely to be 1 per cent) and negative in the case of industry On projects for 1992-93, if there is a near normal rainfall and good export proposals, the growth rate could be between 3.5 to 4 per cent of GDP. The average rate of growth in foodgrain production was 2.4 per cent per annum in 1986-87 to 1991-92, the level of foodgrain at March end 1992 was 12.10 million tonnes against 17.27 million tonnes at March end 1991 and in 1992 procurement was about 19 million tonnes and offtake remains at 22 million tonnes, there will have to be import of foodgrains. The wheat stock at March end 1992, was about 3 million tonnes and if 7 million tonnes are added through procurement, the 10 million tonnes will be adequate to carry us through to the next rabi season. Indusrial growth in 1991-92 was —2.34 per cent in the first quarter April-June, 10 5 per cent in the second quarter. Negative growth of —1. 38 per cent in the third quarter and +1.53 per cent in the last quarter. Monetary expansion in 1991-92 was 18.8 per cent far in excess of the target of 13 per cent. Budgetary support provided by external finance was high at Rs. 5067 crores in 1991-92 against Rs. 3182 in 1990-91. The share of external resources in financing the gross fiscal deficit increased from 7.1 per cent in 1990-91 to 13.4 per cent in 1991-92. The government announced in August that for its modernisation and expansion programme it was deinvesting Rs. 31 crores out of its total share holding of Rs. crores to Rashtra Chemicals and Fertilisers. The shares have been disinvested in mutual funds. The primary capital market witnessed a record capital mobilising exercise during July 1991-June 1992, when 546 public and private sector companies issued an highest ever amount of Rs. 19,931 crores, being 15.5 per cent of total gross domestic savings. The average issue was an all time high of Rs. 36.4 crores. The 527 private sector companies issued Rs.9346 crores through shares and other instruments. - 14 public sector units Rs. 5722 crores through bond issues by 29 per cent of total capital issues in 1991-92. The government informed Parliament that the banks needed an infusion of an additional Rs. 8000-10,000 crores to cover their bad debts, not quantified so by the Narasimhan Committee (see Vol XXII p65), which however recommended an Assets Reconstruction Fund be establisded. The government has prescribed capital adequacy norms under which Banks and FIs should have a 4 per cent capital adequacy ratio in relation to risk attached assets by March 1993, going on to the BIs standard of 8 per cent by March 1996. This is part privatisation as the capital assets are to be offered to the general public as well as Mutual Funds, PSUs and employees. This latter is ofcourse not privatisation. Now this addition of Rs. 8000 to

Rs. 10,000 crores is to be provided by government or raised by the banks from the market. This would be a definite step to the privatisation of banks.

Industry

The quick estimate of industrial production of IIP released by CSO shows an industry growth rate of 4.1 per cent in April 1992 against the modest 1.3 per cent in March 1992. This first sign of industrial recovery is heartening also because manufactures registered an 4.7 per cent growth in April compared to 0.3 per cent in March. Electricity grew at 6.9 per cent in August compared to 6.3 per cent in March. Only mining recorded 3.1 per cent in March. The Small Industrial Development Bank of India (SIDBI), reports that during 1991-92 its aggregate sanctions recorded a growth of 22 per cent at Rs. 3459 crores and disbursement 15 per cent at Rs. 2588 crores. The tiny sector is receiving special attention with Rs. 1053 crores sanctioned to 85000 tiny projects. Similarly marketing support and machinery parts purchased have been a meagre point of assistance for the small Industries.

National Production Front

Steel

In the first fortnight of August there was both good and bad news on the steel front. On August 1, the Visakapatnam steel plant went into production and is targeted to produce 1.8 million tonnes in 1992-93. The gestation period of the projects was 20 years leading to heavy cost escalation from the Rs. 1000 crores initially estimated to Rs. 7000 crores and over. This means the full utilisation of the total capacity should be used and its plans to expand its capacity to 4.2 million tonnes, as the demand for steel is projected at 31 million tonnes during the decade, when production has been only 14.55 million tonnes in 1991-92 leading to the import of 1.46 million tonnes at a cost of Rs. 1500 crores. It is reported that at the end of 1990 about Rs. 534 crores of Soviet credit was lying unused. Now negotiations with Russia and the CIS should explore the possibility of using this credit for the purchase of Russian equipment. This is urgent because the second piece of bad news is the information given to parliament was because of the resource crunch, the Planning Commission has made a cut of Rs. 10,177.19 crores in the proposed outlay of Rs. 24,756.19 crores to the steel sector.

Crude

In the first half of April, government announced in parliament that natural gas had been discovered at 2 new wells in the Krishna - Godavari basin. The well of Nandigama had a gas flow of 2.43 lakh cubic metres per day and condensate at the rate of 50 barrels per day. The other well at Mumidivenam had a gas flow of 0.81 lakh cubic metres per day. The government also reports that the output oil wells in Bombay High which had reached an all time low in 1991-92, due to short term corrective measures taken is resulting in gradually increased production. Finally the government reports that the measures taken on the advise of the Petroleum Conservation Research Association (PLRA), Rs. 500 crores in energy conservancy had been effected in the VII Plan. Research efforts to increase production and economise consumption should be intensified in the VIII Plan and often to avoid the growing import bill that the country faces.

Coal

Coal India reports several positive developments - a profit of Rs. 100 crores in 1991-92, the take off of its 6.05 million tonnes of coal liberalised scheme during first quarter of 1992-93, when 2.01 million tonnes were actually sold and the offer of new sources under which any customer can approach any of its officers and come under its first come first served scheme. Also coal production has been increasing steadily from 212 million tonnes in 1990-91, to 229 million tonnes in 1991-92 and its target of 238.2 million tonnes in 1992-93. But its problems are even more overwhelming. It has a cumulative loss of Rs. 2500 crores due mainly in project execution and completion for want of funds, along with labour and the litigation processes. A fifth of its total staff (6,70,000) are redundant, non receipt of dues to the extent of Rs. 2000 crores from thermal power stations and the piling up of Rs. 900 crores (40 million tonnes) of coal at pitheads and the failures of the cash and carry scheme. More immediately, if the tripartite dearness allowance committees recommendation for DA from January 1, 1987 is followed, CIL will have to pay Rs. 400 crores in 1992-93 to its 7 lakhs employees, which will wipe out any profit it may have been contemplating. The DA recommendation needs to be postponed and the dues from the thermal station to CIL should be settled along lines referred to at the start to enable this essential service to continue functioning.

Non Ferrous

The aluminium industry is doing well and plans large scale expansion. With the abolition of licensing the companies have prepared plans for 260,000 tonnes expansion. HINDALCO doubling its capacity to 200,000 tonnes, BALCO to 200,000 tonnes, NALCO to 330,300 tonnes - increasing the total capacity of the industry to 972,000 tonnes by the end of this decade. Further the grant of automatic approval to 51 per cent foreign equity participation has freed the technical collaboration in 34 industries. Due to the difficulty of getting aluminium at reasonable rates and non availability of electricity at cheap rates, the large firms are going for down stream facilities instead of expansion of primary metal production. But this will be giving away the advantage to the other developing countries producing aluminium - Brazil, Venezeula, Egypt. So the question of expanding the Indian aluminium industry needs to be faced by the government and the private companies so that a judicious need can be developed. Hence the perennial power shortage of the country needs urgent attention.

Agricultural Production

It is still too early to decide whether the monsoon will make up for its delayed start and urban areas like the north west not receiving rains till recently. What will be the effect on the kuruvai crop? As of now the government faces a depleting wheat stock and so has signed a contract with the Canadian wheat board for import of 10.05 lakhs tonnes of wheat for shipment during mid July to mid October. The greater offtake of wheat from the PDS and the consequent lessening of the wheat stock is due to the fall in production of coarse grains by 4 million tonnes during 1991-92 kharif. As a consequent the Rs. 2500 crores food subsidy provided in the budget and the later provision of Rs 250 crores for the revamped PDS are inadequate. The budget did not take into account i) the additional subsidy needed

by imported wheat which will be finalised after the entire consignment has arrived; ii) the central bonus of Rs. 25 per quintal in addition to the procurement price of Rs. 250 per quintal, iii) the increased railway freight, iv) the central subsidy given to states for purchase of items for the distribution of PDS foodgrain, v) the additional foodgrain allocated to certain identified areas and vi) the subsidy for any additional wheat and rice imports that may be needed in light of the total kharif foodgrain production in 1992-93. This means that the food ministry budget will have to be increased sizeably to meet these 4 demands - most of which are unknown and so unquantifiable. The ministry of agriculture has initiated a scheme for procurement of fruits and vegetables not at government determined support prices but at market prices. The scheme is being supplemented through state co-operative marketing agencies and NAFED. Procurements will be made at market prices till a certain ceiling for each perishable commodity is reached, the ceiling price to be determined on a case by case basis which will be 10 per cent above average of the last 5 year's farmgate price. If the price falls, procurements will resume till the market price reaches the ceiling level The scheme has risks and will be watched before being extended further.

Foreign Trade

A large trade deficit of $1583 million for the first quarter, April-June, of the financial year contrasts with the much smaller deficit of 733.91 crores in the first quarter of last year 1991-93. The reason for this rise in the trade deficit is the lifting of import restrictions in the current financial year compared to the tight import controls introduced last year. Further for one item, petrol, imports have almost doubled from last year's first quarter of 4.4 million tonnes to this year's first quarter of 7.58 million tonnes. On this alone the import bill will rise from last year's Rs. 1200 crores to Rs. 2800 crores this year. One positive element is that the measures to promote exports are yielding a 8.4 per cent increase in exports to the general currency areas in the first quarter. The export promotion measures include the department of revenues announcement, that as a limited duty drawback finally will continue for exporters who have availed of the duty exemption scheme and the quarterly Based Advance License Scheme in the future. Exports in April-June 1992 rose bo 0 4 per cent from $3988.73 million last year to $4013.06 million and in rupee terms by 40 per cent from Rs. 8181.41 crores to Rs. 11500.11 crores. (In June exports rose by 9.9 per cent in dollar terms at $1342 million). During the first quarter, exports to GCA rose by 8.42 per cent (from $3523.99 million to $3820.63 million but declined by 59.47 per cent in the Rupee Payment Area from $474.24 million to $192.43 million. Imports during April-June 1992 in dollar terms were $5576.73 million as against last year's $4732 69 million, being a 17.84 per cent increase. In Rupee terms at Rs. 15981.08 crores against last year's Rs. 9682.99 crores representing a 65 per cent increase. The 1992-93 export target is $20132 millions being a 12.8 per cent increase, which is somewhat steep but attainable and for this reason the government is giving priority to all measures needed to promote exports, parliament was informed. Here the key is the Rupee payment exports which should be pushed in negotiation with Russia and other CIS states. The government analysis of the 1990-91 trade, reports that non trade houses formed

more than 50 per cent of the country's exports-engineering goods (24 per cent) ready made garments (24 per cent) leather and leather products (15 per cent), basic chemicals and pharmaceuticals) (15 per cent) and marine products (6 per cent). While the country's exports have grown at an impressive 16.5 per cent during the 20 years 1970-71 to 1990-91, its share of world exports is both small (0.5 per cent) and declining from 0.6 per cent to 0.5 per cent. Within this context engineering exports at the global level fell from 0.3 per cent in 1970-71 to 1.0 per cent in 1990-91. Further, engineering exports are not keeping up with the engineering production-in 1980-81, 4 3 per cent of domestic engineering production was exported, in 1987-88 it fell to 2.8 per cent. Penetration into the European market is impressive, rising from 19.2 per cent to 38 8 per cent, while it fell in Asia and Africa, with US it has been stable. The USSR's share was 21.5 per cent and is now a question mark. On individual items, the commerce ministry's committee states that India has the capacity to increase its market share of the world dyestuff exports from the 1.2 per cent to 10 per cent in five years and sets forth the steps to do so. Cashew exports are expected to cross the Rs. 75 crores mark. India has secured an increase in export quota of $2 million to Canada and Australia Petron International is investing in India to commercialise technologies developed by India by NCL. Silk exports in 1991-92 rose by 53 per cent to Rs. 676 crores. Marine target is set to achieve the target of Rs. 1765 crores for the year, as the export in the first 4 months of the financial year was 45,900 tonnes valued at Rs. 428.7 crores. The Apparel Export Promotion Council is sure about reaching the export target of $2.7 billion for 1992. The governmeut has liberalised the import of 30 items of profession grade audio and video studio equipment which can be imported freely into the country without a license. The government has also relaxed capital goods imports second hand, without a license in textiles, and textile processing, electronic components and dyestuff and food prices.

Loans and Aid

In the first half of August, 6 loans are recorded. British and German Banks have offered to lend $700 million for the Rs. 5000 crores joint sector lignite project in Jayamkondam. BHEL has entered into a 10 year agreement with German's Siemens for power generating equipment. The UK government has made credit of Rs. 15.53 lakhs in grants to 5 organisations dealing with disasters. The World Bank loan of SDR 373.3 million referred to earlier (See Vol. XXII p132, 256) is to upgrade and modernise polytechnics in the state. As of July end SDR 35.44 million have been utilised, the government reports to parliament. ADB has granted a loan of $99,000 million for the National Renewal Fund.

International

OECD

An economist of OECD reports that privatisation in the developed countries of the West is on the wane though the pressure continues in both political and economic areas. Among OECD's 19 member states, the bulk of the privatisation this decade will take place in countries bordering the Mediterranean, because in these countries the central government continues to retain significant shares of industry, transport, communication, bank-

ing and utilities. The countries which led the wave in the 80s - UK, Japan and New Zealand - have completed a scheduled sale of assets so that the stock of publicly owned companies are no longer the locomotive pulling the privatisation train. But in Greece, Italy, Spain and Turkey which have large public sector deficits, there would be relief when some of the public sector stocks are passed to the private sector. This will also reduce the magnitude of their budget deficit and so motivate them towards partial or full privatisation of public enterprises. Italy under the weight of a public deficit equivalent to 10.5 per cent of its GDP plans to raise $14 billion through assets sales. So is Portugal which has been privatising and in 1991 alone raised 2.5 per cent of GDP through such sales. Turkey plans to raise $400 million through such sales in the next 2 years. It was in the 80s, with an increasingly competitive environment that government began this movement by reducing the parameters of state intervention in the economy. In 90s the same forces are promoting the evolution of global marketing and plunged many state enterprises into international competition. Regional economic integration in Europe and North America, the prospects of its dissemination in Pacific and recent events in Eastern Europe all point to the emergence of larger markets in which TNCs are active.

ASEAN

The meeting of ASEAN foreign ministers in Manila was significant for many reasons. Many countries had connections with ASEAN. Canada, US, Japan, EC South Korea, Australia, NewZealand, Russia, Vietnam and China engaged the ASEAN members in a dialogue for economic cooperation. Many ASEAN leaders have spoken of India's potential role in the region, which involves India getting involved with countries of the region. ASEAN with Japan is emerging as the third large protectionist economic grouping of the North America - US, Canada and Mexico and EC. India is probably too large to become a member more than China, but like China it is true that India spent some time on its role in the Asia grouping which is its neighbour.

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II. Agricultural Development in Tamil Nadu

Paddy and other crops

As the storage in Mettur improved reported also in the last issue in mid August it recorded a steep rise from 11,400 cusecs to 55076 cusecs) as well as in Parambikulam - Aliyar, - lower Bhavani, and Periyar and Vaigai systems, farm activity was in full swing. The farmers in both Thanjavur and Nagapatinam, Quade-E-Milleth districts have transplanted kuruvai paddy over 3 lakh acres and are going onto 4 lakh acres for which the standing nurseries were quickly transplanted. The revival of the turn system in the Grand Anicut has been postponed till completion of transplantation which was initially delayed because the district

farmers wanted to have a clear picture of water availability in the Mettur reservoirs for lab periods. Further farm labour is not available. The delta farmers have also begun preparations for the main samba crop from mid August, when the turn system will be reintroduced in the Grand Anicut. Mettur levels on August 3 was 104.25 feet, the storage being 70,460 million cubic feet. So the outflow has been increased to 27,000 cusecs to help farmers in their hectic transplantation in the delta districts. So for the kuruvai, the farmers expect a record crop. The Agricultural department reckons that as the normal average yield is 4 tonnes per hectare, kuruvai paddy crop will be around 15 lakh tonnes for the first time in the past decade. The samba season is approaching and the farmers hope that with a good North East monsoon, they will exceed last year's coverage of 5 lakh hectares in Thanjavur and Quaide-E-Milleth district. The department concurs with this estimate. Report on the cotton, sugareane, groundnuts and coarse cereals crops are similarly satisfactory and the farmers borrowing on these crops are optimistic about the yield this season. Farmers report that a dangerous disease is affecting the paddy crops at an early stage in Tiruvannamalai and North Arcot-Ambedkar districts and parts of the South Arcot districts. The need for both the state resources through the Tamil Nadu Agricultural University and the Indian Council of Agricultural Research to deploy their forces to combat the disease and prevent it from spreading is emphasised by the farmers and the Department.

Research results

Of the 18 research reports recorded at the end of July and upto mid August, 4 groups-on paddy, other cereals, fruits and animal husbandry deserves special atention and can be used by thet farmers in the state immediately. First on paddy, SSRC Tiruchy working on the polluted waters of Uyyakondan canal which reduced paddy yield by 30-40 per cent in its 64 villages along the bank was the subject of its experiment with 8 varieties. On the basis of which it recommends to the farmers to concentrate on Ponmani which yielded 6482 kg per hectare and 8086 kg of straw in 155 days, and ADT 30 which yielded 5703 kg and 7397 respectively, replacing the ruling strain of IR20. The Assam Agricultural University, Jorhat on the basis of its work on detecting rice tungro requires that it can be desiccated by the stunting of the plant and various colours of range and yellow in the straw and proposes as control measures-uprooting a suspected tungro normal hill replanting in a pot filled with normal rice, and control the destruction of green leaf hoppers which spreads the virus. On other cereals and crops, TNAU, Srivilliputhur reports that the continuous growth of gingelly varieties TMV-3 and TMV-4 in this region and which shows decline in yield and its exposure to diseases like phyllody can be replaced by SVPRI, a white seeded high yielding sesamum which is of 70-80 days duration, high yielding in 700-800kg/ha yields high quality seed and oil extraction. The Kumaraperumal centre, Tiruchy reports that it has demonstrated that the hybrid castor GCH4 yields 27.7 per cent more than TMV-5. Tirupura region trials demonstrate that true potato seed (TPS) is an effective and cheap substitute to the conventional potato grown in the Nilgris and Kodaikanal. It is based on the hybrid TPS production technology developed at the International Potato Centre, Peru. TNAU reports that its works shows that the pest psyllins in subabul can be controlled by growing resistent species, and snipping the terminal shoo

and burying it. It also reccmmends the biological control agent that it has developed for this pest. AP agricultural university calls attention to subabul, a legume shrub gaining popularity as a produce of high quality protein, timber, charcoal and as a soil envilla On fruits and vegetables, TNAU centre at Vellore demonstrates the growing of sugarcane with limited water, using coir wastage as basal application and that its physical parameter were more influenced by amendments than irrigation. The sugarcane variety CO-8382 which has an average production of 124 33 tonnes/ha and its ratoon yields on the average 122 24 tonnes/ha and is recommended for the state's sugar cane farmers. UAS, Bidar report that its experiment show that instead of picking buds for planting Ber the dryland crop, insitu budding in ber varieties increases plant value by 90 per cent and height to 2.8 feet in 92 days. Similarly Agro Vet of Hoechost India, reports developing a robust Okra hybrid, Mystique, for kharif and rabi under the conditions which yields 300 quintal/ha. The MARP banana research centre, Srirangam reports on the nutrient management needed for wetland banana cultivation, the time of fertiliser application, the levels required and the fertiliser schedule to produce optimum results. Tamil Nadu Rice Research Institute, Aduthurai reports that its work shows that Neem spray preserves plaited coconut leaves. It involves spraying coconut leaves on both sides with copper sulphate, follow neem oil or neem seed extract. The coconut research station reports that its structure shows that coconut bud rot can be controlled by periodical observation of palms, removal and using of dead palms, detection in early stages and application of Bordeaux pest on the injected portion, and prophylatic spraying with 1 per cent bordeaux mixture. Finally for animal husbandry farmers, the National Dairy Research Institute, Karnal reports that the artificial process through which a barren cow/heita is brought to milk producing condition by passing pregnancy and delivery of a calf is called inducing lactation which reduces economic loss and proposes a schedule for inducing lactation in dry and healthy animals ranging from 1-3 days to the 24, 2ɔ and 27th day when milking can be commenced. The Madras Veterinary College of TANUVAI on the basis of its work advises that to protect sheep and goats from the many bacterial and viral diseases, it recommends 7 types of vaccinations as well as sheep pox vaccine, foot and mouth diseases vaccine, and anti rabie vaccine - all manufactured by the government institute and the private sector and are easily available. The Veterinary College, Udgir reports on its work on the Ketosis disease in buffaloes which is signalled by reduced milk yield and appetite, false chewing movements and salivation and can be treated by giving glucose (25 per cent at 0.5 kg) in 3 intravenous infusions. The AP agricultural university, Hyderabad states that its experiments on mushy chick disease - yolk sac infection naval infection, umphleitis - seen in inflated abdomen, a wet naval and an offensive - can be treated by increasing the warmth in the brooden house and medicating the drinking water with a broad spectrum of drinking water for 3 days. The Madras Veterinary college reports on the management of infection in rabbits. In body, canker can be treated by scrapping and for ear canker, placing 1 to 2 ML of vagetable oil into the ear for 10 days proves to be effective.

Plantation crops

Tea Production, as forecast in the las issue, facing adverse weather conditions, is

down by 26.2 million kg in the first half of 1992 compared to the same period in 1991. The total tea production in the first 6 months of 1992 was 237.1 million kg compared to last year's 263.4 million kg. The loss in production was in both the South and North, the South suffering the major reduction of 18.1 million kg and in North 81 million kg. It is doubtful whether the second half of the year's production will make up this large loss. In rubber production, in 1991 world rubber supply was larger at 53.8 lakh tonnes than in 1990 at 52.2 lakh tonnes as demand was smaller so that world prices of rubber began to face the attention of all rubber producing countries - Malaysia, Indonesia, Manila, Sri Lanka which concentrated on not increasing production and pushing up prices. India continued to remain in the farm production in world rubber products at 3.602 lakh tonnes in 1991 against 3.23 lakh tonnes in 1990. In 1992, the major interest is to arrest the falling prices and not to augment production in the rubber producing world. For India, the target is 4 07 lakh tonnes, which is also the consumption projection target. While production will equal the anticipated demand, there are carry over stocks and imports under the export incentive scheme that the rubber market faces. The World Bank's loan of $92 million for rubber production is to be used in helping in part 30,000 hectares of new plantations and 40,000 hectares for replanting as well as to develop R&D, processing and marketing. The export of rubber (14,000 tonnes) for the first time in 1991 may be continued in 1992. In the non transmission area of 'the North East, 50,000 hectares have been earmarked for raising rubber. On this, the Rubber Board has recommended 19,000 hectares in Assam, 18,500 hectares in Tripura, 4350 hectares in Meghalaya, 4300 hectares in Nagaland, 2500 hectares in Manipur, 8000 hectares in Mizoram during the VIII Plan. Tripura has an ambitious plan to become the second largest rubber grower with 34,000 hectares during the VIII Plan. With 15,000 hectares, it is the third largest rubber producer after Kerala and Tamil Nadu. A number of private growers from other states have purchased land in Tripura to raise rubber plantation, which transforms the economy of the small state.

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III. Industrial Development in Tamil Nadu

In the first half of August, the state recorded both positive and negative features in its industrial development.

On the positive side, *First*, against the mess that the state's granite policy is involved as referred to in the last issue, a number of top *business houses* including the Tatas, the DCM Group, Usha Rectifiers, Lakshmi Machine Ltd, have submitted major proposals to the state government for setting up joint projects for the *export of granite*. The proposals involve investments ranging from Rs. 30 crore to Rs. 100 crores. The 18 proposals received by the state governments are now to be submitted as projects with all the necessary details by the firms concerned. There is here an important lesson for the state's industrial policy. This area is one of the few attracting large houses from outside

the state and so policy on it should be appropriately grafted. *Second, the Thiagarajan group* which is doing very well in export of textiles, with the Kapplur Milk having 78 per cent of its sales in the export market and the Virudhu-Nagar, mill selling 90 per cent of its yarn and grey fabric in exports is now giving its attention to the domestic market, particularly as there is a bull in its demand for textiles world wide. *Third,* a Singapore NRI, *D. Balsara* has submitted to the government proposals for an investment of Rs. 11 crores in mineral water, hotels and tourism. There are in addition to this Rs. 200 crores projects approved recently by the Foreign Investment Board. *Fourth, the house of* Kothari is setting up a bar manufacturing brewery in Karnataka with a capacity of 50,000 litres. It is to be run with German collaboration. *Fifth,* the area of alcohol and molasses is once more in the news. While molasses outturn is reaching record levels, in addition Tamil Nadu's 8.61 lakh tonnes reported in the last issue, Maharashtra (which is a major sugar cane grower and sugar producer after UP has an yield of 17.5 lakh tonnes of molasses in 1991-92. Alcohol production has not kept pace because of the innumerable rules and controls. This situation of molasses glut can be corrected by giving the units concerned to produce more alcohol and remove the 10 per cent. But the situation will become even more serious in the future when molasses yield will reach 3,300 lakh tonnes by 1995-96 as more sugar factories and distilleries which are being licensed will go into operation. The government has assured an additional 3000 lakh tonnes to new units. The sugar units in Tamil Nadu are at the end of their teether on the molasses issue, and in opposition to the India Sugar and General Import-Export Corporation (ISIEC) which has refused to share with the mills the high profits for earning from molasses export, the industry in the state is considering routing exports through a new agency. This will also solve in part the problem of accumulating molasses, in addition to sharing the Rs. 6-7 crore project at present cornered by ISIEC. Under orders of the Madras High Court the state government has been directed to supply forthwith the required quantity of industrial alcohol to King Chemicals which had been prior to it by the former (DMK)government. *Sixth, McDowell* & Co. has drawn up a mega investment plan for Rs. 150 crores for restructuring the polyma division (Rs. 32 crores) and its spirits division (Rs. 25 crores). *Seventh, the Madurai Hosiery Industries Association* is emerging as a model for industrial development in the state and country. It has attracted the attention of the Overseas Economic Cooperation Fund (OECF) which is considering financing Madurai Hosiery, a company floated by the Association. OECF has committed itself to assisting SIDCO in the development of hitech industrial estate. *Eighth,* the state government has come to the rescue of B & C mills in early August with an order of Rs. 16 crores for uniforms to supply to school children. This is a departure from the procedure to place these orders with handloom cooperatives and khadi units. The transfer of the order to B & C helps it to meet in part payments on its accumulated loss of Rs. 60 crores. This order transfer is better than state government, is on its financial agency lending funds to B & C which cannot be recovered. Whether this item should be on the positive or negative side of industrial development balance sheet is open to question. *Ninth,* two companies, *Sundaram Fasteners* and Alacrity Housing report a good profitable

1991-92 year. Sundaram Fasteners turnover rose by 27 per cent to Rs. 137.05 crores and despite inflation and interest rates rising paid a dividend of 27 per cent. Alacrity Housing reports that in 1991-92 it has 25 per cent of housing in Madras, business worth Rs. 72 crores. It has been able to control the prices of steel and cement by long term contracts. Its equity capital on March 31, 1992 was Rs. 8 crores. On the negative side, *first* and most serious, the country's leading Financial Institutions have stated that they will not finance projects in Tamil Nadu in the future "because of the inconsistent policies in the industrial front, and the numerous blocks put in the path of entrepreneurs by the government. Particular instance have been cited by the FIs of the delays of clearances indefinitely and changing policies to suit individual industrialists, instead of industry in general. It is urgent that the minister of industry who is the chief minister meet with financial institutions and discuss in detail their criticisms which go against all that the minister has stated and establish a more normal and understanding industrial climate. *Second*, the underutilised and loss characterised *Richardson & Cruddas* is closing down its establishment in Madras. Its structural fabrication units reports a loss of Rs. 251 lakhs as at February 29, 1992. Wages for the months of June and July have not been paid, for which the management says it has no funds. This is an impossible situation which should be referred to BIFR. *Third, Madras based exporters* including the important group of leather goods exporters, complain the difficulties they face in obtaining bank guarantees under the current formal, delays in reimbursement of premiums on exim scrips and the neglect of registered partnership firms compared to corporate units. These problems should be examined by the Indian Bank's Association and SBI in order to solve and remove them. *Fourth* the industrial development of Ambur, it is stated, has been hampered by bad publicity over environmental issues of pollution and labour strikes and poor industrial relations. One effect is that the number of leather units has stagnated at 74 (61 small scale and 13 in DGTD sector) since 1988, while parallel areas like Vaniyambadi and Ranipet are expanding annually. Here the remedy is in the hands of the local tanners Association who should with the help of the central government set up pollution control measures, see to the low land water being freed from untreated tannery effects. *Fifth*, the Rs. 5000 crore lignite project at Jayamkondam jointly promoted by the TIDCO and Calcutta based McNally Bharat is running into rough weather because the private sector company of McNally-Bharath has, agains the rules and understandings invited a German equipment manage them to contribute its share of the equity of the project. If this is not corrected, the state government, which has set up the Jayamkondan Lignite Power Corporation will be looking for another partner for the project. *Sixth, the Southern Small Scale Cosmetic and Toiletries Association* has filed a case against Hindustan Lever for slashing shampoo prices and dumping them on the domestic market. This unfair trade practice by Hindustan Lever which has a 40 per cent of the shampoo market show its services and the MRTPC enquiry should be awaited. *Seventh, the Hindustan Photo Films*, according to the Comptroller and Auditor General has after over 20 years of functioning has reached self sufficiency in the manufacture of photographic productivity. Despite the increasing consumer preference for colour production, nearly 63 per cent of its production is one of important jumbo film roles. This heavy release in imports can and should be corrected.

For the first fortnight of August; the negative features of industrialisation in the state state seem to be dominant. The most worrisome is the negative comment of the Financial Institution which should be corrected immediately.

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IV. Education, Science and Health

Educational reforms

The World Bank's study on education in Asia state that for Asia as a whole, the social returns on educational investment, are 27 per cent for primary education, 15 per cent for secondary and 13 per cent for higher education. For India the returns are 29.3 per cent, 13.7 per cent, and 10.8 per cent as per 1978 estimates. This shows once more the greater importance of primary education both in maximising returns and ensuring greater equity for India. As against 61 per cent average literacy in Asia, in India it was 43 per cent which has risen to 5.2 per cent in 1991 according to the government. In India only 37 per cent of children entering primary school completed it, while 61 per cent of Asian children finished that cycle. In Indian primary schools the teacher pupil ratio is 1 : 58 whereas the Asian average is 1 : 33, 10 per cent of the best educated Indians reached 61 per cent of total resources. Despite this data, India's outlay on higher education in terms of per capita cost as a percentage of per capita GNP was 231, 1.35 times higher than the regional average, while the cost of primary education was only 0.61 of the regional average. The poor quality of primary education has resulted in poor cohort survival rates at 37 per cent. Most of the dropouts occured within this education cycles, as most of merit based attrition occurs at the point of entry to next higher level of education (inter cycle selection), high rates of intra cycle selection are taken as an index of voluntary discontinuation, which is not true. Social factors like attainment of puberty is one of the important reasons for drop out of formal studies. Harsh economic conditions at home also cause children to leave school to augment family income. Though these factors are important, the study states that the major reason for poor cohort survival in India is due to the poor quality of education. The study argues for greater private financing of higher education which will improve both the efficiency of education and equity across this system. Private institutions promote competition and also free resources to be invested in primary education. The sharp bias towards higher education in India coupled with the poor cost recovery has led to inefficient use of resources as well restrained the quality and access to lower levels of education. The Gini coefficient for India (on a scale of 0 to 100 representing a progressive inequity) is 66 against a regional average of 43. Only Bangladesh does worse. The study shows the very different outcomes result from comparable levels of investment and that policy choices make a considerable difference to the efficacy of investment and ensuring a more equitable distribution of benefits. So the major policy implication for India include greater investment in the primary education to improve cohort survival and female literacy, cost recovery from higher educa-

tion and expose of the low cost distance education system. Against this background the supreme court decision banning capitation fees which are at high levels for engineering and medical education is not only difficult to enforce (on the sums can be collected under other heads) but if used for educational development - building and equipment, can reduce the higher and untirable government subsidies to higher education and could and should lead to higher fees in all higher education institutes as a means of cost recovery. The supreme court judgement marks all fees above the tution fees charged by the government in private colleges capitation fees, which should force government tuition fees to the recovery bill. To improve the efficacy and equity of the investment in primary education, its transfer to the panchayat councils recommended by many bodies and represented at a recent Seminar at Centre of Policy Research should be accepted even as the condition is being amended to make Panchayats councils election and resources part of the constitutients requirement. A more immediate problem is the resolution adopted in UP and being considered by the union government for all India legislation to treat examination malpractice cognizable and non bailable offence. This along with examination reforms and modernisation of the secondary and higher secondary education and modernisation of textbooks are the most urgently made reform. A UGC team in Tamil Nadu reviewed the working of autonomous colleges under 3 heads - administrative, academic and finance. Given the positive approval to autonomous colleges by the Revised Policy on Education, and the present GC leadership, the review should lead to the strengthening and expansion of the autonomous colleges. *Literacy* in Tamil Nadu in the first fortnight of August, two districts Pudukottai and Pasumpon Muthuramalingam have been declared 100 per cent literate. There the people organised themselves under the Arivoli Iyakkam campaign and in 6 months made all the adult literates learn the 3R's. The collector of the district has headed the movement and given it full official support. Now 6 more districts will be completing similar literacy programmes this year.

Technical education

The Industrial credit and Investment Corporation of India (ICICI) reports that it plans to set up a school to train talented youth from rural areas in various disciplines. The course began in August 3 in thirteen subjects and would have 3 semesters. 25 students have been admitted for the first course. Under the earlier loans given by the World Bank to assist the modernisation of the curricula and equipment of polytechnics in 16 states have been referred to. The programme is well underway. The Supreme Court judgement against capitation fees has held up the implementation of the self financed 12 medical and 8 dental colleges permitted by the government of Andhra Pradesh. With this banning of capitation fees, these college promoters are having second thoughts. The Department Of Electronics (DOE) of the union government has set up Software Technology Parks (STPs). The Park is a 100 per cent export oriented scheme for development and export of software using data communication lines. The objectives are to provide infrastructure, core computers and built up space for software units for exports. As small software vendors could not afford to invest in communication lines, DOE decided in 1984-85 to set up a resource centre with such facilities for sharing by these vendor. In 1990 three STPs were set up in Pune, Bangalore and Bhubaneswar,

Rs. 4 crores was earmarked for each, with the condition that they will become self sustaining in the third year of operation. Later STPs were also set up in Hyderabad, Thiruvananthapuram, Nivide and Gandhinagar. Each STP had a separate managing society which have now been merged to form an autonomous society-the Software Technology Tank of India. Now state government's are urged to set up their own STPs without funds from DOE. Bangalore has 13 fully operational Tanks, Pune 5, Thiruvanathapuram two and Hyderabad six. The question arises whether DOE is pushing STPs too fast. The Bhuvaneswar STP has failed to attract response because the companies which were to set up units in Bhubaneswar have moved to Calcutta. This infrastucture is essential for the setting up and functioning of a STP. The first application of INSAT-2A is being used for the first time in the country for training block level and village level extension workers and farmers in various districts. ISRO has launched a study in 150 districts to identify the natural resources. Initially 16 districts have been selected for carrying out the action plan for integrated and sustainable development. It will be a part of country under classrooms where the students and the taught will be able to talk to each other. The participants will be able to see and hear on their TV sets the resource persons-the experts from various universities and departments ask questions to the resource persons via the satellite on the audio channel. At present the signal is being received at class rooms at Bhiwani, Loharu, and Toshan.

Science

The first application of the INSAT-20 is a nationwide direct Satellite TV broadcasting to communicate TV receivers in rural and remote areas. ISRO plans to form a corporate front for finding a commercial outlet for its products and technology. It will be industry based and be an autonomous body. It will also form a consortium with foreign firms in the business like Matra and CSF Thomson.

Health

The horror of the existence of female infanticide in South India, particularly in Salem district where a staggering 51 per cent of the families are killing baby girls within a week of their birth, so they do not have to spend Rs. 40,000 to Rs. 50,000 on dowry is revealed by study sponsored by the Department of Women and Child conducted in 5 blocks in Salem district. In one village, Thokkivadi, it reports that even male infanticide is practiced after having one child of each sex. It says that poverty and ignorance about family planning have aggravated the problem. The female child is seen as a mill stone round the neck of the family both in the money spent on her at various functions and the responsibility of keeping her chaste till marriage. The study covered Hindu, Christian and Muslim families but found the practices only among Hindus.

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V. Employment and Labour Relations

The government informed parliament that the backlog of unemployment as at March 31, 1992 was 17 million by working status. Under the strategy of the VIII Plan, unemployment will be reduced to 10 million by the end of the Plan and to 3 million by the turn of the century. In another statement in the parliament government sets forth a programme to create 13 crore jobs by 2000 AD at the rate of 1 crore jobs each year, if funds are available. This intervention was made in the Rajya Sabha on a private member bill seeking to provide a house, essential commodities and a job to atleast one member of the family. On the approval from the government on this basis the private member withdrew the bill. This is related to the work of the sub committee of National Development Council on employment which is to submit the report to NDC by September. The committee is using poverty as the criterion for evolving employment generation programmes. The Tamil Nadu government Corporation with the cooperation of the Indian Bank is helping educated women earn decent incomes from their homes through software development. Qualified women are being used in software production for both the domestic and export markets. A pilot scheme has been launched in Madras to finance 50 educated women using Rs.25 lakh as credit. The scheme is assisted by the Indian Bank and Elcot. In the Madras Metropolitan area above 2500 educated women have completed the course in software training. Hence the potential of the project is vast. At last, one aspect of the exit policy, the golden handshake scheme for redundant employees is to go into operation. The cabinet has cleared a Rs. 1 50 crores package to be used in helping the National Textile Corporation and the British India Corporation shed some of their fat to regain their heat. Rs. 700 crore is being used for the retirement of those 75,000 workers and 6100 officers who choose the handshake. There are issues like whether the devolutions from NRI are over and above the starting benefits, but those will be clarified now. The scheme requested the finance ministry agree to writing off the Rs. 1600 crores accumulated loss. On conditions of labour, it is reported that UP is the only state where revision of minimum wages has been completed in all 62 categories of employment covered by the Minimum Wages Act 1948. As a result the wages of unskilled, semi skilled labours have been raised from Rs. 34 to Rs. 86.3 per month. The one day conference of the state labour ministers in August decided to recommend to the union government that there be a central legislation covering all aspects of social security for the unorganised labour, specially in agriculture. Here the workers are prone to constant mobility and other practical difficulties making their problems more complex. On the new industrial policy they were of the view that the centre must ensure that the policy did not lead to either closure of sick public sector undertakings, retrenchment of the workers - which are impossible conditions to meet if industry is to be modernised and become viable.

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VI. Other Items

AIR

Two Air recordings in the first half of August where first 6 sessions of the autobiography recordings over 4 sittings, was held as referred to in the last issue. The second was recording of the World Literacy Day message to be broadcast on September 8 - the International Literacy Day.

Gold Medal Presentation

The SR Ranganathan Gold Medal for outstanding librarianship was presented to the librarian, Mr. Mohanrangan of the University of Madras. On the occasion the central place of the library in the university and college, the pioneering work of Mr. Ranganathan for devoted and contributions to Madras university library developed by Mr. Mohanarangan were recalled.

TNSCS & T

A special general body meeting of Tamil Nadu State Council for Science and Technology was held in early August to pass and decide an amendment to its charter. The amendment added popularisation of science to the objectives - the popularisation to be executed through training programmes, awareness development, seminars, exhibitions and lectures. After a brief discussion of the amendment it was adopted and is to be presented to another meeting of the General Body after a month.

CDS

The Annual General body meeting of the Centre for Development studies met on August 10 in Trivandrum. The Council on the retirement of the President (who has completed 2 terms) elected Mr. K. N. Raj as the new Chairman. The main business of the General Body was to review the Annual Report and the 5 year Plan of work of the Centre. General satisfaction was expressed at the good research work being turned out by the members of the Centre. After having grouped the research under 5 broad heads, the time, it was felt, was not ripe to bring the five areas together and exchange results with other research centres, under which were represented on the council - MIDS, the Institute of Social and Economic change, Bangalore and the Centre for Economic and Social Studies Hyderabad. The revised budget for 1992-93 proposed by the committee of Direction was adopted as was the auditors Report for 1990-91. The Centre's work with NFPA - the Section on demographic studies was reviewed and the progress noted with satisfaction, on the surplus being generated for the centre from this source under which contributions are made in dollars.

World Literacy Jury

The Unesco World Literacy Jury met in the second half of August. It had received 35 candidatures from governments and non governmental organisations. This year the prizes were reduced from 5 to 3 - as the Soviet Union's prize ceased and Iraq withdraw its prize. So the Jury examined the candidatures and selected 3 of the outstanding candidatures for award of the prizes - the International Reading Association Award, the Noma Prize and the King Sojo prize along with several remarkable mentions.

September Development Seminar

The paper "Towards a re-appraisal of the Dravidian Non-Brahmin movement by Ms. V. Geetha and Mr. S.V. Rajadurai for the September seminar together with a summary of the discussion on the paper at the seminar appears as the first article.

Second Article

Health in India during a period of economic adjustment, appears as the second article.

Book Review

The review by Prof. C. T. Kurien of the book 'Planning in India : the challenges for the nineties' appears in the book review section.

M I D S News

Dr. A. Vaidyanathan completed the work of the Committee on Irrigation Pricing and the report was presented to the Planning Commission on 14th September, 1992.

He gave a series of three lectures on Indian Agriculture to the UGC teachers Refresher Course held by the Gokhale Institute of Economics and Politics, Pune, September 3-5, 1992,

He attended a workshop on active programme relating to harvesting and use of water held under the auspices of All India People's Science Forum, Aurangabad, September 23-25, 1992.

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Dr. Paul Appasamy presented a paper on "The Economic Aspects of River Basin Planning" at a Seminar on Integrated River Basin Planning organised by Centre for Water Resources Development and Management at Thiruvananthapuram on September 16, 1992.

He also attended an Expose on Solid Waste Management organised by Exnora International in Madras on September 19, 1992 and served as rapporteur for a group discussion on the role of agencies in solid waste management.

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Dr. Nirmal Sengupta delivered a seminar on "Jharkhand Movement" on 17th September, 1992.

Dr. S. Neelakantan delivered the Presidential Address for the workshop "Sustainable Settlement Planning and Development" held on 10th October, 1992 at MMDA Complex, Madras.

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Dr. Padmini Swaminathan attended a seminar on "Women's Studies in India" held at the Indian Institute of Advanced Study, Shimla, from September 21-26, 1992 and presented a paper entitled "Patriarchy and Class : An Approach to a Study of Women's Education in the Madras Presidency".

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Dr. R. Hema delivered two lectures on "Electricity Pricing" and "Issues relating to Electricity Regulation" at the Dept. of Economics, Annamalai University on October 1, 1992.

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Mr. A. Venkataraman, Senior Project Officer & Mr. Deepak Ahluwalia Economist, Resident Mission of the World Bank in India, New Delhi visited the Institute for a meeting to discuss some issues relating to the agricultural economy of Tamil Nadu on 22nd September, 1992.

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Prof. Jan Lundqvist, Department of Water & Environmental Studies, Linkoping University, Sweden visited the Institute and discussed about a proposed study of a IBRD supported water diversion project from the Bhavani river on 23rd September, 1992.

Towards a Re-Appraisal of the Dravidian/Non-Brahmin Movement

by
Ms. V. Geetha
and
Mr. S. V. Rajadurai

When the Non Brahmin manifesto was released for public debate and scrutiny in Dec. 1916. Annie Besant, editor of *New India* and the patron saint of the Home Rule Movement, lost no time in denouncing the contents and underlying political message of the Manifesto. She characterised it as one inspired by "short sighted and narrow minded people" and termed it "mischievous and unpatriotic" (NI. Dec. 20). She was convinced that the "Non Brahmin Movement", which promised to emerge in the wake of the Manifesto, would strengthen the British Civilians In their obduracy and resistance to Home Rule and serve their purposes of 'divide and rule". She found allegations of Brahmin monopoly in the services, Non Brahmin helplessness in the face of Brahmin jobocracy, and the positing of a Brahmin-Non Brahmin divide mere "froth, which no sane man will take seriously". (NI, Dec. 21, 1915). She observed, somewhat indignantly, that the Manifesto sought to bring about "disharmony and disunion" and asserted that "as long as India gains Home Rule it is but of secondary importance whether Brahmanas or Non Brahmana Hindus or Muslims gain prominence. We are children of one Mother and our interests, as those of our country, in the first instance is to our sense of unity" (Ibid). Annie Besant's ire was such that she announced the columns of her newspaper would, henceforth, be closed for discussion on the subject at hand !

However a protracted debate was fought out through the columns of *New India* for well over a year, following the publication of the Manifesto, with Brahmin and Home Rule spokesman as well as "prominent" Non-Brahmins denouncing the fledgling movement and Non Brahmin adherents, sympathisers and intellectuals defining its rationale, its relevance and import for the "Non-Brahmin" communi-

ties. The detractors of the movement (with whom we are chiefly concerned at least, for now) were puzzled and bewildered by what seemed to them incomprehensible, erroneous notions of Brahmin autocracy and Non Brahmin inepitude. The *Tribune* of *Lahore* stated, "To our knowledge there is no such community as Non Brahman or non Buddhist or non-Hindus or non-Jews and nothing can be more ludicrous than to form a new community on the basis of excluding a small community the one small but important caste of Brahmins..." Quoted in *New India, (Dec. 30, 1916)*. The *Times of India* endorsed the *Tribune's* views and rejected the possibility of a non Brahmin community functioning as a "single homogenous group, capable of common or united action" (Quoted in *New India, Jan 2, 1917*). A prominent Vokkaliga of the day, General Secretary of the Vokkaliga Sanga proclaimed it "self destructive to call oneself a non Brahmana". He, further, noted, "After all, aren't we all Hindus and has not a great Congress leader who is a Brahmana remarked : 'Let anybody even Pariahs get what we are fighting for...'...Why should we envy the Brahmanas ? They have reached where they are by their industry...It is also the case that non Brahmana officers are scarcely more helpful to Non Brahmanas", (*New India*, Jan. 9, 1917). There were other arguments, rebukes, aimed at those non Brahmins who sought to better their lot by what *The Ceylonese* termed 'Girding at the Brahmanas". *The Ceylonese* urged Non Brahmanas to the path of "organised self-help" and suggested the movement be "entirely defensive" in its methods and aims (From *New India*. Jan. 19, 1917). *The Ceylonese* was not alone in criticising the "anti-Brahmana" tenor of the Non Brahmin Manifesto. Kesava Pillai, prominent Home Ruler warned hat caste feeling was not confined to Brahmins alone and pointed out that the "caste spirit" affected non-Brahmanas as well. (*New India, March* 19, 1917). Numerous letters to the editor of New India also expressed their dismay at the rancour against a "small community" which seemed to pervade all Non Brahmin protestations. Such expressions of righteous dismay were mirrored faithfully in the editorials and columns of New India, as Annie Besant and her team of talented journalists (who were also devout Home Rulers) gave form and coherence to Brahmin (and Non Brahmin) responses to the new philosophy of dissent.

It was suggested that the Non Brahmin Manifesto was the handiwork of Civilians who needed to work out a new politics of divide-and-rule, now that the Muslims and Hindus had come together, in the aftermath of the Congress-League pact. Annie Besant was so convinced that the new movement was but a "crusade of hate" that she did not stop to enquire into the phenomenon of an over-Represented Brahmin bureaucracy. Obsessed as she was by the image of the penurious Brahmin priest and lowly paid (but highly educated) Brahmin clerk, she turned the non Brahmana arguments around and noted that if the non Brahmins were endowed with "fewer clerkships" it was because they had wilfully desisted appointments in the services. The non Brahmanas, she argued were known to prefer "trade and commerce" to the pursuit of learning and besides they counted among their ranks, zamindars and rajas, both of whom had no use for jobs in the services. (see *New India, April* 18, 1917, *April* 28, 1917). Annie Besant was particularly annoyed by the movement's strident and most vocal representative, Dr. T.M. Nair. She assembled a political biography of the man with the clear and avowed intention of

laying bare his political "inconsistencies", his "opportunism", and "unabashed" advocacy of a political and social cause merely on the basis of a felt personal wrong. Dr. Nair, she insisted, was a mere "intellectual acrobat" who could not have the genuine interests of the non Brahmanas in mind, for he was chiefly concerned with unleashing a "spurious and superficial campaign of hatred". (*New India, June* 26, 1917). Annie Besant's arguments proved forceful in that her readers soon joined her in seeing the Non Brahmin movement as being composed of those "who were swayed by selfish desires and were infuriated by failures" and who sought to "transform their private injuries into public wrongs". (see N. C. Ramasamy Naidu, *New India, July* 10, 1917).

New India's arguments, hypotheses and political philosophy were all geared towards the singular objective of demonstrating, simultaneously, the necessity of Home Rule and the undesirability of, what it termed, "commercial politics". The paper and its editor served to universalise and render consensual (as we shall indicate in the sections to come) what were clearly particular (Brahmin) perceptions of political liberty. The idea of Home Rule was problematised by non Brahmin ideologues, chief among whom was Dr. Nair. While the idea of a unitary Hindu-(Indian) community was felt to be untenable by a host of non Brahmin intellectuals. The non Brahmin Manifesto thus, sought to interrogate the complacent, seemingly self-evident terms of political discourse as constructed by the Home Rule Movement. It is not surprising therefore, that an imperious, dominant and hegemonic community whose political ideology suddenly seemed internally inconsistent should turn against the arguments and observations of the Non Brahmin Manifesto. The sustained and self-congratulatory hegemony of many decades had to now look to its defenses and it did so in a series of moves that were calculated to disarm and eventually blame the victims (the nature and status of this "victimisation" will be argued in the sections to come).

Our concern, at this stage in our argument, however is not so much with this historical polemicising as with its reflections in the critical discourses that have grown around the non Brahmin movement. Interestingly enough these discourses, share the assumptions of New India publicists and arrive at astonishingly similar conclusions regarding the nature and aims of the non Brahmin movement. It must be noted here that critical scholarship and analysis of the non-Brahmin - movement have been chiefly pioneered by Anglo-American scholars. These scholars, their "empiricism" notwithstanding, have been prone to substitute "ideology" for "hard facts", such as when they present, "facts" always already constituted as judgements and evaluations. David Washbook, and to a lesser extent, Christopher Baker both of whom have attempted to situate the politics of non Brahminism in a matrix of structural changes in the economy and transformations in the administrative complex of the Raj, insist that the Non Brahmin movement was civilian-inspired was but an instance of "elite" competition for scarce goods.

In other words Non Brahmin dissent is seen as a product of a fortuitous conjuncture of historical events rather than as a counter hegemonic response that emerged out of a particular historical conjuncture. Baker and Washbrook reduce history to happenings and seem reluctant to inquire into its logic, its pattern of movement and change. Christopher Baker notes that the

"polemic" of the movement had an "obvious" appeal for those educated non Brahmanas who looked on the services and the literate professions as their "traditional careers". Besides non Brahmins were beginning to feel" the brunt of the stronger administrative machine, staffed at the subordinate levels largely by Brahmins", many of whom displayed a certain caste arrogance when they insisted Brahmins were better equipped for appointments and posts in the services. Baker further argues that this competitive anger and resentment "fitted well over certain latent social and cultural divisions in different parts of the province". Thus scrambles for higher ritual status among Brahmin and non Brahmin "literate aristocracy" in Tirunelveli, tensions between Brahmin Mirasdars and non Brahmin tenants in Tanjore, between agriculturalist sat sudras and sacralist Brahmin pundits in the Krishna Delta were now played out in a politico-public sphere. But, observes Baker, these instances of local competition had no necessary material basis at the provincial level. Non Brahmin elites might have particular problems with Brahmin elites but, on the whole Brahmins were, except when they were rich and powerful, "employed in occupations that were necessarily menial — as cooks, scribes and religious functionaries — and could be purchased by the wealth of other castes...". These other castes, were not, in the least, anti Brahmin and in fact accepted the Brahminical codes and recognised the superior ritual claims of the Brahmins in their everyday lives. Non-Brahminism in this context was but a convenient myth that served to dissolve, at least temporarily, the contradictions which lay at the heart of its politics.

Washbrook, like Baker and in a tone and manner curiously reminiscent of New India debates, notes that the non-Brahmin movement was necessarily anti Brahminical. The non-Brahmin professional-publicist, now in the vanguard of a movement that had clear material interests at stake, had to be "anti-Brahmin, or at least anti-Vedic, if he were to make the constituency his own". Washbrook also observes that all talk of a "non Brahmin community" must be seen for the ideological fiction that is. For, communal solidarities in the Madras Presidency were often undercut by cross communal patronage networks that implicated Non Brahmin patrons and Brahmin clients as well as Brahmin patrons and Non Brahmin clients in mutual material transactions of great pertinence. Moreover, argues Washbrook, communal organisations could rarely develop into long lasting political organisations of import and relevance beyond their immediate locales. If at all communal organisations solidified into a "permanent" form this was because they sought to transform a particular grievance into a generalised one; in other words such organisations "shifted the discipline in which the Associations worked from the historical, in which it explained why it had come together to the Sociological in which it described the social facts which underlay its unity . . . its rhetoric (now) was based on the existence of a congruence between categories of political action and categories of common socio-economic or cultural position. That these categories rarely were congruent and that most members of the Association behaved as though they rarely were, were matters to be ignored...". Communal solidarities, then, were nurtured by publicists who never really created effective constituencies of their own, in spite of the much vaunted myth of Non Brahminism. The movement remained caught in a vortex of material interests which no ideology could disguise or explain away.

Washbrook's surmise, then, is, the Non Brahmin movement acquired the political resonance it did because it rallied itself against the Home Rule Movement and, hence, served the British Civilians well. Not only did Non Brahmin ideologues draw their fire from governmental notions and ideas of Brahmin tyranny but the Madras government proceeded to cite the Non Brahmin quotations of the process of self government through Home Rule. Thus, concludes Washbrook, "the pattern of governmental initiative and subjects response had become so complete that a closed circle of argument, quite apart from outside reality had been formed.

Washbrook sees no merit in the "social premises" and justifications that may be said to constitute basis for Non Brahminism. He concurs with new India's Brahmin readers in their opinion that if Non Brahmins are not represented in an adequate measure, commensurate to their numbers, in the services, it is because they have rarely sought such posts in the past, being immersed in agriculture and commerce. Their present disaffection was thus wholly a political response, orchestrated by publicists and moulded by interested patrons and "magnates" and "rural bosses" who discovered in the emerging ideology new modes of constructing old networks of patronage. For Washbrook, these old networks necessarily required newer forms of articulation since the impending reforms of 1919 and the effects of the earlier Minto-Morley reforms had brought about certain shifts in power at the local level which had to be, therefore, accomodated at the provincial level. Henceforth, power was, to be exercised less directly on the basis of landed power, commercial wealth and ritual basis and more on the basis of these interests being represented effectively in local and provincial administration. Thus patronage-publicist networks had to be articulated on a more durable basis and an ideology which promised to bind and cement ties on the basis of "primordial sentiments" was but reassuring.

By identifying Non Brahminism and the Non Brahmin movement with its chief protagonists and their immediate material interests and by positing a simple cause-and-effect relationship between private interests and public acts, Baker and Washbrook display a curious inability to relate ideology and material interest except in the most obvious manner. Annie Besant and her readers were equally quick to conflate interest and ideology but at least they were engaged in defending achieved positions of hegemony and, hence, for them, "truth" was an instance of partisanship. Washbrook not only refuses to consider the autonomy of ideology and its ripple effects but even considers the play and function of ideology as marginal to those material interests ostensibly justified and theorised by ideology.. It is significant, though, that he has to "account" for his problematic silence on this issue. In a revealing paragraph he confesses, in a somewhat embarassed fashion, that in spite of the persistence of patron-client networks and the continued primacy of material interest, there existed conditions in which *cultural sentiment* became an independent mechanism of control". However he does not specify what these conditions were that excited ideological consensus. It is evident that he has come up against his own theoretical limits here; and while he tries to resolve this theoretical and, in a sense, political impasse in his narrative half heartedly, the gaps and slashes in his argument seem apparent. Baker is a little more sensitive to the

significance of ideology but he too wishes to see it as determined, in the last instance, by self interest. Besides, argues Baker, non Brahminism could not really sustain itself as a viable ideology because its cultural interpretations were often varied and because it retained a "fundamental ambivalence in any social or cultural opposition to the Brahman". Thus, asks Baker "were those opposed to the Brahmans asserting that the position occupied by the Brahmans was irrelevant and thus worthy only of criticism or neglect, or were they arguing that they, rather than the Brahmans, should take over the position of social and ritual pre-eminence?". Having posed a crucial question Baker does not spend much time on the terms and conditions that structure and direct ideology in general or on the particular modes of construction of Non Brahmin ideologies.

These crucial silences in the political narratives of Baker and Washbrook derive from an uncritical use of sources and from the lack of a theory of power and its changing forms and modes in the second half of the nineteenth century. Government records, private papers of eminent personalities, contemporary newspapers — A variety of sources have been put to good use by Baker and Washbrook in their attempt to re-construct the polity of late colonial South India. Newspapers have been scoured for information on political events, activities and opinion. Washbrook and Baker have especially worked the *Hindu* archives to their advantage but they have not considered it important to interrogate the politics and cultural-social premises of *The Hindu's* journalism. This seems a serious methodological lapse, considering that newspapers and journals of those times actively constituted opinions, intervened in public debates, often in a partisan spirit and proved to be important weapons in polemical wars. Further Baker and Washbrook deploy what seems, at first, a variety of empirical instances to underscore a theoretical point but on closer examination these instances reveal themselves to be isolated ones that barely explain the complex social and political formations of the day. For instance several examples of "cross-communal" patron-client networks are furnished to "prove" the ubiquity of this phenomenon and to indicate that the Brahmin-Non-Brahmin divide was largely fictitious. Likewise, instances of "self-interest" are given to point at the materiality that shaped and structured ideological intent. But the fact that a "pariah" won a municipal election, contesting from a predominantly Brahmin ward or the fact that prominent justicites "stood to gain" by undermining Brahmin hegemony in the services do not really demonstrate particular articulations of interest and ideology. Neither do they help us grasp at the relationship between social, political and economic spheres in a caste-bound polity where events that are played out in any one of these spheres need not produce identical effects in the other spheres. A "pariah" (or a Nadar), may be tolerated in the Municipal Council but the community of "pariahs', will still be denied access to public streets and wells. Non Brahmin elites might seek to challenge particular and entrenched Brahmin interests but the conflicts are mediated less by competitive utilitarian notions of gain that they are by perceptions of dominance and subalternity. What proves Washbrook and Baker's theoretical undoing is their inability to theorise these perceptions of dominance and subalternity. They do not provide a means through which we may grasp at the logic of Brahminism as an ideology and its relationship to socio-economic structures as those obtained in colonial caste society. Besides they rarely take cognizance of what non Brahmins

say about themselves or about the nature of Brahmin power.

It is our intention here to "recuperate" these strategic silences, though not with the aim of "perfecting" the extant critical work. Instead we intend constructing an alternative narrative of the emergence and significance of Non Brahminism. It seems important that we record and analyse what non Brahmins at the turn of the last century and in the early decades of this century were saying about themselves, their relationship to Brahmins and the so-called depressed classes; such self perceptions, we have learnt, constitute an important body of "knowledge" in a caste society where the power of the word and the prerogatives of speech and hearing have been determined by and remained the privilege of Brahmin and upper caste literate. Rosalind O' Hanolan in her remarkably perceptive work on the Non Brahmin Movement in Maharashtra has observed that an initial breach in the ranks of a caste was made when protestant missionary debates drew the religious and the orthodox to the streets and desacralised and demystified the words and content of the scriptures. Non Brahmin self perceptions were made possible, argues O' Hanolan, by the emergence of a public sphere of debate in Mahratti society and these self perceptions in turn served to deconstruct Brahmin myths of superiority.

It seems important to "make the Non Brahmin speak". Critical debates about Non Brahminism in Tamil Nadu have not succeeded in crossing the historiographical threshold marked out by Baker and Washbrook. The work of Eugene Irshchick may be considered somewhat exceptional in this respect but his impressive array of facts are not matched by theoretical rigour or sophistication and as much do not help in "producing" a theory of Non Brahminism. The ghost of Annie Besant still presides over contemporary popular debates regarding the significance of the Non Brahmin movement as Brahmin apologists continue to thunder against the Justice party's elitism, political opportunism etc. The significance or otherwise of the Non Brahmin movement is also being presently concluded by those who protest that it failed to accomodate dalit aspirations. While the so-called depressed classes constituted an important flank of the movement in its early days, contradictions between non Brahmin "clean" castes and the depressed classes began to surface almost soon after. The legacy of Non Brahminism in Tamil Nadu has not always and consistently favoured dalits. Tamil Nadu's political history of the past twenty five years has seen the consolidation of generalised Non Brahmin hegemony, but contradictions between upper caste Non Brahmins and dalits have not been considered pertinent to the ultimate forms, aims and direction of this hegemonic process. The marginalisation of dalits has, thus, resulted in a devaluation of the Non Brahmin legacy and further complicated the question of the movement's significance.

To raise the ghost of Non Brahminism as it existed nearly a hundred years ago, to return its silences to history and to delineate the contours of that history, to uncover the contradictions it could not resolve, to consider, in short, its ideological viability — these constitute the basis of our study. Non Brahminism survived the political demise of the Justice party and the opportunism of some of its leaders, and proved catalytic in the non-Brahminisation of Congress. The emergence of the Self-Respect movement and the Dravida Kazhagam signified its ideological vibrancy and, in a sense, its coming of age. We intend considering these by and by, but our initial efforts will be towards reconstructing the historical conjuncture that saw the birth of what seems to us, in retrospect, an undoubtedly ruptural event of immense significance.

Summary of Discussion

The Chairman, Mr. S. Guhan, before presentation of the paper observed that the theme of the paper on the Dravidian Movement was not to be viewed solely from the point of view of its political dimension but also must be seen as a movement for social reforms and preservation of cultural identity.

The author while presenting the paper mentioned that enough literature was available on the Dravidian movement (DM), a term which was used synonymously with the Non Brahmin Movement (NBM). However, critical and scholarly analysis of the NBM was lacking from the Indian social scientists and even the existing studies were circumscribed by the framework of the Anglo-American scholars. The basic lacunae of the NBM was its lack of identity, failure to take cognizance of women's issues and aspirations of dalits as part of its discourse. The NBM was also seen as a strategy worked out towards a new politics of divide and rule by the British after the Congress-League pact united both the Muslims and Hindus together.

The Anglo-American scholars considered the politics of NBM within a matrix of structural change as envisaged in the economy and transformation in the administrative set up of the British Raj. The NBM was chiefly pioneered by civilians at the instance of elites. The author also felt that the NBM was a product of a fortuitous conjunctive of historical events rather than a counter-hegemonic response that emerged out of a particular historical matrix.

Christopher Baker's contention of NBM was anti-Brahminical and anti-vedic and as such they could not sustain itself as a viable ideology because its cultural interpretations were often varied and retained a fundamental ambivalence in any social or cultural opposition to the Brahmin. Washbrook held that NBM was based on their premise of not being represented in adequate measure in the services due to their preoccupation and employment within Agriculture and Commerce.

The author having evaluated the Anglo-American tradition concluded their inability to theorise perceptions of dominance and subalternity as they do not provide a means to grasp at the logic of Brahminism as an ideology, and its relationship to socio-economic structures as in the case of colonial caste society.

The Chairperson, carrying the critical remarks of the author about the Anglo-

American scholarship on the Dravidian Movement to the present times, remarked that the Indian social scientists opposing the Mandal commission too spoke the same language of the Anglo-American scholarship.

During the discussions that followed the presentation, on the relevance of the Doctrine of *Varnashram* it was pointed out that the NBM's notion on the issue was ambiguous though its ideology was basically anti-Brahmin and anti-Sanskrit (vedic) and confined to Tamil Nadu. In reinforcing the author's argument on the question of Dalits winning elections, it was pointed out that these were only exceptions and could not be generalised

Another participant observed that after the times of Periyar, there has been a considerable dilution of focus on the social evils of caste system. Periyar considered the elimination of the caste system and of Brahmin domination as part of a movement of social reform. But his followers like C. N. Annadurai and others shifted the focus from social reforms to power politics and elections.

On the question of the future of the NBM it was mentioned that though they lacked an identify of their own, the movement spearheaded particularly by Periyar focussed on social power and evils of the caste system and laid emphasis on social reforms. The recent growth of the PMK itself was seen by a section of audiance as a manifestation of the NBM's resurgence.

The author while responding to the queries mentioned that the alliance of the Brahmins with the colonial state had produced a modern power structure which crystallised traditions in different forms. The impetus to these traditions was expedited with the use of mass media and printing in various forms.

V. Jacob John

Health in India During a Period of Economic Adjustment*

I am greatly honoured at being invited to deliver the fifth Fr. James S. Tong Memorial Oration. Fr. Tong practised the presence of God in a spirit of active humanism. Throughout his life, he continually enlarged and diversified the sphere of his activities. Most notably, his contribution to the creation of the Voluntary Health Association of India reflected his belief that health cannot stop short of being a social concern. It is as a humble homage to this conviction that I would likely to discuss the issues involved in the subject of this lecture.

In the terminology of plans and budgets, health is classified as one of the social services provided by the state and as one among basic minimum needs. Health is, in fact, the primary social welfare service and the most basic need, for in any society, it is the health status of the people, affecting as it does morbidity and mortality, that determines the quality and longevity of life itself. Health is, thus, not merely a need; it is an ingredient of the most fundamental of all rights, namely, the right to life. It is in this context that the Universal Declaration of Human Rights, adopted by the United Nations, states that everyone has the 'right to a standard of living adequate for the health and well being of his family including medical care' and the World Health Assembly of the WHO has resolved that 'the right to health is a fundamental right'.

Fundamental rights recognised in various Constitutions, including our own, are meant to protect citizens against their violation by the executive actions of the state or by-laws enacted by legislatures. It is usual in the literature on law to refer to them as negative rights in the sense that what is guaranteed is freedom from the state's interference, without due process, in the citizen's rights to such matters as life, personal liberty, equality of opportunity, free speech and association, religious worship, and so on. In contrast, the right to health care, like the right to work, is a positive right which can acquire an operational content only to the extent that the state is willing and able to ensure its realization. In the Indian Constitution, this obligation is placed

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* Father James S. Tong Memorial Oration delivered by Mr. S. Guhan at the annual conference of the Voluntary Health Association of India, New Delhi, 4 September, 1992.

on the state in a number of Articles which deal with 'Directive Principles of State Policy'. Art 47 stipulates that 'The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its *primary* duties. Art 39 calls on the state to protect the health and strength of workers, men and women, and to prevent the abuse of the 'tender age of children'. Articles 41 and 42 call upon the state to make effective provision for public assistance in case of old age, sickness and disablement, and for maternity relief. These obligations are not, however, enforceable by legal means. Their realisation depends on the degree to which, on one hand, the state actually accepts these obligations and, on the other, the extent to which public action is successful in prevailing upon it to do so.

Constitutional obligations apart, there are good reasons why it is necessary for the state to play a primary role in the field of health. In the language of economists these are related to the fact that, in large part, health is both a public good and a merit good. Public health, sanitation, and the eradication of communicable diseases have to be provided on a collective basis, i.e. as items of social consumption, since they cannot be feasibly supplied, or consumed, or paid for at an individual level. They will not be provided at all if left to the market mechanism. Secondly, primary health care being so basic to the well-being and productivity of society, access to it needs to be universal. It can not be constrained by affordability and cannot, therefore, be left to the market. This is the sense in which primary health care, like primary education, qualifies as a merit good for the provision of which the state has to bear a special responsibility.

It is in this background that I would like to approach the subject of this evening which is 'Health in India During a Period of Economic Adjustment'. I propose to deal with it in terms of three main topics. I shall begin by reviewing the current health status of India or, in other words, the extent to which the state has been able so far to meet its obligation to make health services available and accessible to our people. I shall then discuss the likely impact of the adjustment process on health. Finally, I propose to place some thoughts before you on what needs to be done to protect and promote the long term objectives of the health sector during and beyond the adjustment process.

II

There has indeed been significant progress in India's health status since Independence whether we look at it in terms of inputs into the health system or in terms of various indicators relating to its output. Life expectancy which was barely 32 years of age at the end of colonial rule has increased to 59 at the end of the 1980s. In the same period, the crude death rate has fallen from 27 to 11 and the infant mortality rate has been brought down from about 130 per 1000 live births to a little over 90. The maternal mortality rate has come down from 2000 per 100,000 live births to 500. The total fertility rate which was close to 7 has declined to 4. There has been a great deal of progress in the control of communicable diseases. In the mid forties, malaria, accounted for 100 million cases of which one million were fatal; notified cases of cholera were 87,000 in 1951 of which nearly half died, in the same year, 2.5 lakh persons were afflicted by small pox of whom nearly one lakh died. Small pox was eradicated by the mid seventies and the incidence of malaria and cholera has been drastically reduced. Beginning from 1952, India has been able to establish a country-wide network for primary health care in the form of PHCs and sub

centres providing through them basic preventive and curative services, maternal and child health services, family planning, and immunization. Over the last three decades, the government has demonstrated a strong commitment to population control and has devoted large and steadily increasing manpower and financial inputs for the purpose. The ICDS is a major programme for nutrition and for maternal and child health services. In absolute amounts, budgetary allocations for health and for the allied sector of water supply and sanitation have shown significant increase. In the matter of curative services, the proportions of population to doctors and nurses have been brought down to 2500 and 1700 by the mid eighties from levels of 6000 and 4300 that prevailed at the time of Independence.

These facts sufficiently indicate the striking progress that has been registered in India's health status compared to the very poor levels that the country inherited at the end of British rule. The legitimate satisfaction that one feels from these comparisons, however, gets diluted when we compare achievements in the health sector in India to that of some other developing countries or when achievements are compared to targets adopted within India itself. Comparisons apart, the objective facts relating to India's health scene can only be characterized at deeply disturbing.

Life expectancy in India in 1990 of 59 years was about 10 years lower than in China or Sri Lanka and about 3 years less than for all low-income developing countries. In terms of the right to life, women and children are the most disadvantaged in our country. The infant mortality rate in India in 1990 (92 per 1000 live births) was about three times as much as in China (29) and only a little less than five times the IMR in Sri Lanka (19). The age specific death rate for female children under age 5 (40.5) was about 25 per cent higher than for male children (31.9). The other vulnerable period for female mortality is the peak reproduction period. In this phase, the maternal mortality rate is an important indicator : India's MMR of 500 per 100,000 live births is many times that of 44 in China and 90 in Sri Lanka. Given also India's high fertility rates, Meera Chatterjee has pointed out that the life time mortality risk to the average Indian woman during reproduction is 300 times greater than that in many high income countries. Higher female mortality at childhood and among young mothers largely explains the adverse sex ratio for women which in 1991 was 929 for 1000 males in the population. As Prof. Amartya Sen has graphically put it, what the adverse sex ratio means is that about 37 million women are 'missing' in India's population.

Maternal and child health are closely related. The proportion of low birth weight babies in India (1980-88) is 30 per cent, sizably higher than 18 per cent in all developing countries, and about 40 to 50 per cent of children are severely or moderately malnourished. Added to this is discrimination against girls in access to food and and medical care which starts from infancy. Girls fail to reach their full growth potential, get married early, run considerable risk of obstetric complications, and give birth to low weight babies perpetuating the vicious circle.

Despite progress made since Independence, the situation in regard to public sanitation, preventive health care, control of communicable diseases, and health education are all far from satisfactory. Public sanitation is woefully inadequate where it is needed most, namely, in the poorer sections of large towns and in the

smaller urban areas. Meanwhile, growing urbanization has considerably exacerbated the problem. As Prof. Sumit Guha has pointed out "The florid and lethal diseases — cholera and small pox — have been controlled or eradicated, but the protean and familiar dysenteries seem unaffected .. perhaps because contaminated soil, hands, and flies still provide them with adequate means of propagation." Equally disappointing is the continued prevalence of malaria : the original target was to eradicate it by the mid sixties but during the whole of the last two decades about 2 to 3 lakh cases of malaria have been recorded every year. Episodes of cholera continue to recur and the incidence of leprosy, kalaazar and filariasis are not insignificant. In the allocation of resources, preventive health get only a share of one-fourth to one-third.

Very little data is available on levels, trends, and on regional and case-wise patterns of morbidity in India. Official data on morbidity is seriously inadequate because it is confined to public facilities which are estimated to be used only for one-fourth of acute illnesses. The National Sample Survey (NSS) in 1974 reported a prevalence rate of about 2303 per 100,000 of population but this may be an underestimate considering that other surveys in India have estimated rates three to four times as much. We may get a firmer estimate when the results of the NSS 1987 survey are published. The interesting fact is that morbidity, as reported, in Kerala, is relatively high despite low level of mortality. This is, no doubt, due in part to higher literacy and better availability and access to health services in Kerala. But it could also mean that high morbidity can co-exist with low mortality and even get accentuated by it because of longer life expectancy and diseases of old age. In other words life expectancy and death rates, which are the most commonly used indicators of health status, do not convey the full picture and morbidity surveys, which have been relatively neglected in India, are of high priority.

Related to the subject of morbidity, we need to take note of the fact that India may be passing through an epidemiological transition. In addition to the diseases of poverty and under nutrition, those related to urbanization and affluence, such as cardio-vascular ailments and cancer, are becoming Important. To these must be added environmental health hazards stemming from industrialization and transportation, behavioural health hazards related to smoking; alcoholism, and drug addiction, internationally high rates of road accidents, geriatric health problems, and the looming spectre of AIDS. This is not a transition that uniformly affects all sections of the population all over the country at the same time. Differing epidemiological patterns between the rich and poor and between town and country coexist and continue to widen. In such a situation of polarisation, the danger is that resources for diagnostic and curative services are likely to be shifted towards the needs of the urban and affluent, further worsening the already low level of preventive and curative services available to the rural and urban poor. We can all see evidence of this, particularly in the case of the commercialized medical market and increasingly in public hospitals as well.

Turning to curative services, India's ratio of population for doctors (2500) compares favourably with those for all low income countries (5500) although it is less than half as good as the ratio in China (1000). There are, however,

serious imbalances in respect of hospital beds and doctors between rural and urban areas, from State to State, and between the public and private sectors. In 1936, the rural share in hospital beds was less than 13 per cent compared to India's rural population share of more than 70 per cent No all-India or systematic State-wise distribution of the rural-urban distribution of doctors is available but many studies have brought out the serious imbalance. Inter-State differentials in this respect also continue to be very wide with the best-served State which is Maharashtra having a ratio 3 to 4 times as favourable as those for Uttar Pradesh, Rajasthan, Bihar or Madhya Pradesh. The public sector's share in doctors has steadily declined from about 40 per cent in the mid sixties to about 25 per cent in the late eighties. While 75 per cent of hospital beds are in the public sector, about 75 per cent of doctors are in the private sector. Consequently, the bed-to-doctor ratio in public facilities in the mid eighties was about 9 times that in the private sector.

Of equal concern is the quality of medical care to which the rural poor, and illiterate patient in India has access. The private sector in medical care includes not only qualified practitioners, but also large numbers and a wide variety of semi-qualified ond unqualified persons such as midwives, compounders and para-medical personnel, drug shop attendants, and so on who practise any and all forms of treatment. One study (Viswanathan and Rhode, 1990) found that among the practitioners surveyed who were commonly described in rural areas as 'doctors', only 3 per cent had a MBBS degree and only 38 per cent had any type of medical qualification at all. Studies of private medical practice also indicate the wide prevalence of dubious clinical methods. Ravi Duggal and Sucheta Amin in their study of Jalgaon in Maharashtra found that 70 per cent of all illnesses were treated with injections. Duggal and Amar Jessani have drawn attention to a number of facts to substantiate rampant commercialization and technical incompetence in the medical profession such as the reckless and irriational prescription of drugs and diagnostic procedures; the close nexus between doctors and drug stores, pathology laboratories, and diagnostic centres; and a variety of other unethical and commercial practices. Although it is impossible to precisely quantify the extent to which they prevail, we should not blind our eyes to the common knowledge that — apart from its adequacy, affordability, and spread — the quality of medical care available to the common man or woman in India is such as to cause serious concern. Nor are, by any means, unethical practices confined to the private sector. In fact, in as much as private practice is allowed to government doctors, the distinction between the public and private sectors in medical care is so blurred as to become notional. Many government doctors are also, in large measure, private doctors: if anything, they are worse because they utilise their public position to capture lucrative clientele for their private practice and devote the best part of their time and attention to such patients.

In regard to both preventive and curative health services, the outreach to rural areas is meant to be provide through the net work of PHCs and-sub-centres linked by referral to a net work of taluk and district hospitals equipped with adequate facilities for diagnosis, treatment, nursing, and specialist, facilities. Successive plans have repeated coverage targets of one sub centre for 5000 population and a PHC for 30,000 population. By the mid eighties, actual coverage was a sub-centre for about 10,000 of population and a PHC for about 70,000 of

population. In other words, as of now, we are only about half way towards the achievement of the modest target's reiterated from time to time. This picture of inadequate coverage is vastly compounded by several shortcomings in the functioning of the primary health care net work which have been documented in a number of micro-level studies as well as in the more wide-ranging evaluations of the ICMR and the Operations Research Group (ORG), Baroda, both of which were published as recently as 1989. The position at the end of the eighties was that the full complement of staff had been posted only in 70 to 80 per cent of PHCs and sub-centres. About 15 to 20 per cent of the posts to which persons had been appointed were vacant at any given time. Transfers were frequent with doctors not remaining in any one PHC for more than about 2 years. Drugs, especially antibiotics, were almost always in short supply. In a majority of facilities, labour rooms and operation theatres were absent or inadequately equipped. Coverage of ante-natal care was low and attendance of trained health workers at deliveries was rare. Many ANMs were resident in nearby towns and only occasionally appeared at their places of duty. Their technical knowledge in regard to post-natal care was described as 'very poor". To get the picture in all its dismal fullness, one must add corruption, private practice, and misuse of drugs and transport.

The critical importance of population control does not need much argument in the Indian context. In the demographic transition from high birth and death rates to low levels of both, India has covered only about half the distance. India's mortality decline has been underway for nearly six decades but fertility has began to decline only in the last two decades or so. Between 1970 and 1987, India's total fertility rate is estimated to have declined from 6 to 4.1 and will need to reduce by another two percent points to reach the replacement level of 2.1. Sterilisation still remains the main method of contraception accounting for about three-fourths of all forms but is beginning to yield diminishing returns because it has been mainly targeted at high parity couples not interested in, or capable of, having any more children. Future reductions in fertility will have to involve not only the greater use of spacing methods but also a wide front of non-contraceptive measures, principally female literacy and reductions in the IMR through wider and better provision of maternity and child health services. Population control itself will also need to be closely targeted at the high fertility States of Uttar Pradesh. Bihar, Madhya Pradesh, and Rajasthan, Together these four States constitute 40 per cent of India's population and their fertility rates are around 5, about 25% more than the national average and twice or more the levels in Kerala (2.2) and Tamil Nadu (2.6).

There are immense problems in estimating the expenditure on health in the economy as a whole including government, local body, private, and household expenditures. We have to rely on the very broad magnitudes which emerge from various studies. Private expenditures on healih care are probably of the order of 60 to 70 per cent of total expenditures. Budgetary figures for 1991-92 indicate that excluding family welfare, the combined expenditure of the Central and State governments on medical care, medical education, and public health was about Rs. 5000 crores or 2.5 per cent of total expenditures of the Centre and the States. About 25 to 35 per cent was for preventive health and about 40 to 50 per cent

was allocated to rural areas. There are considerable inter-state differences in per capita government expenditure on health with backward health status States as Bihar, UP, Madhya Pradesh, and Rajasthan having levels distinctly lower than the national average. Including family welfare, health expenditure in the public sector came to about one per cent of GDP and to about 4 per cent of government expenditure. These magnitudes are far below the WHO norm of 5 per cent of GDP and the targets of 3 per cent of GDP and 15 per cent of government expenditures recommended by the Bhore Committee, as far back as 1946. In fact, the Bhore Committee went so far as to recommend that it should be a statutory obligation on Governments to spend a minimum of 15 per cent of their revenues on health activities.

I had begun this lecture by pointing out that health being of foundational value to individuals and society, it qualifies as a fundamental right. Our broad survey of India's current health status would amply show that the state in India, despite progress since Independence, has a long way to go in making the right to health a reality for its citizens. Resources of finance and manpower devoted to preventive health and for MCH have been neither adequate nor efficiently used. The state has chosen to remain a minor partner in the provision of curative services which are both inadequate and of poor quality for the bulk of the population. There are serious inequalities in respect of both input and output indicators between States, between rural and urban areas, between male and female, and between children and adults. These inequalities are super imposed one upon another so that there is a yawning gap between the effective access to health of a poor women or child, especially if Scheduled caste or tribal, In the rural areas of a backward State like Orissa and that of an affluent person in a metropolitan city like New Delhi or Bombay. In these circumstances, 'Health for All' remains a distant dream.

III

This has to be the background to our discussion of the economic adjustment process into which India has entered, its likely consequences for health, and how these consequences need to be responded to. The Finance Minister has succintly summarized why adjustment has become necessary by saying that both the country and the government had been living beyond their means and can not continue to do so any longer. The country had been living beyond its means in the sense that balance of payments deficits had become unsustainable at the beginning of the 1990s. The government had been living beyond its means since its large and growing fiscal deficits had become equally intolerable because of their implications for inflation, debt accumulation, and the external payments gap. It is in these circumstances that adjustment has become inevitable and urgent.

Adjustment implies a process of moving to an equilibrium in our external and budgetary accounts through improving supplies and reducing demand in the economy and by increasing revenues and curtailing expenditure in the exchequer. Such an equilibrium can be attained at different levels and following different paths. At two ends of the range, adjustment can be accompanied by growth, equity, and price stability or it can involve stagnation, inequity, and inflation. The real issue, therefore, is not whether adjustment is necessary

but how it can be put through in a manner that reinforces, instead of undermining, our long term objective of growth with social justice.

Various studies are now available on the impact of adjustment on social services generally and specifically on health, nutrition, and child services in Latin American, African, and Asian countries which have had to go through the adjustment process in the early eighties following the second oil shock, global recession, and the debt crisis. In almost all cases, the impact of adjustment has been initially quite severe. Country responses to adjustment have, however, varied a great deal. While in some countries, government policies have not been able to overcome the impact or have even worsened it, a number of countries-notably Jamaica, Cuba, Costa Rica, Chile, Botswana, China, Sri Lanka, and S. Korea-have been able to cope successfully with the crisis maintaining and in some cases even improving, their health performance. This should give us confidence that adjustment can provide the challenge and opportunity not only to safeguard health in the medium-term but to promote longer term objectives on a sustained basis.

Since India has embarked on adjustment only recently, the first task will be to anticipate the likely consequences of the adjustment process on the health sector. They will be direct and indirect, short term and long term, and will stem from budgetary constraints as well as more general policy perspectives. On the budgetary front, the sharp fiscal contraction that is being put through in the form of reductions to the fiscal deficit from 8.5 to 5 per cent of GDP in three years can have serious consequences for allocations available for health services which, for a variety of reasons, may be curtailed by much more than a pro-rata reduction. Given large requirements for capital outlays on sectors such as energy, transport, and irrigation, social services as a whole may be faced with a more than proportionate cut. Within broad health related activities, there will be strong pressures favouring the claims of water supply and of family planning *visa-vis* resources for health services *and particularly for preventive and rural health services.* Within the *health sector itself, increases to the costs of salaries and drugs and the prior claims of non-plan maintenance expenditure* will squeeze out resources available for incremental plan expenditures. Fiscal contraction, thus, will not only reduce aggregate levels of expenditure but can also be expected to result in sharp changes to previous patterns and purposes of public outlays. In this process, the devil will take the hindmost. Health is likely to be most affected since its visibility is low and its political constituency is weak compared, for instance, to the demands of defence, energy, salary increases to government employees, or subsidies to farmers.

In addition to reduced budgetary inputs for the health system, the possible indirect effects of the adjustment process on health status will be relevant. In the short to medium term, adjustment in many countries has been accompanied by low growth, inflation, and higher levels of unemployment. In such a context, reductions in real terms in welfare subsidies, as part of fiscal contraction, especially in food subsidies can considerably lower the standard of living of the poor with serious consequences to their health status. Such changes will work themselves over time and it will he possible to measure and analyse them only after several years. What is important, however. is

to be aware that as far as health is concerned, adjustment has a scissors effect. on one hand, the resources available to the sector are reduced; concurrently, on the other, there is an increase in the needs to be met.

The third main consequence of adjustment is more intangible but nonetheless significant. Because adjustment causes governments to contract on their spending, it carries with it a tendency, if not a temptation to argue for, or accept, a lesser role for public spending. Ideologically, the state begins to accept a posture of retreat and looks for all possible ways, appropriate or inappropriate, 'to leave things to the market. The concepts of liberalisation and privatization - however valid they might be in certain spheres of governmental activity-take on the character of slogans. As applied to the health sector in a country like India this can prove to be utterly retrograde. According to the paradigm, the competitive market is characterized by numerous producers and consumers for homogenous products, there are no barriers to information and demand and supply are balanced at efficient levels of costs and prices. Without going into a detailed discussion of the market for medical care in India, it will be clear that this model is far from applicable to it either on the demand or the supply side. The ordinary person in need of medical care needs it soon and close to where he lives; he has no time, or money, or knowledge to explore the market or to assure himself of the quality of the product or to test out the market in a series of repeat transactions. In these circumstanstances, the seller is in a position to charge what the market will bear and is also under no compulsion to meet norms of quality. In medical care, as in other spheres. the market is highly dualistic. While the affluent are able to afford high quality and adequate services, medical care for the poor is inadequate, sub-standard, and expensive. This fundamental distortion can be corrected only if the state intervenes to provide adequate, effective, and affordable medical care to the rural and urban poor.

IV

We have discussed symptoms and aetiology and it is time to share some thoughts on how India might respond to the impact ofcourse, that the response will be positive and not one of passive drift. A minimal response would be to protect allocations to the health sector with such incremental outlays and improvements as are feasible in annual and five year plans. A stronger response would be to use the opportunity of the present crisis to take a good hard look at policies, programmes, and implementation in a longer-term perspective - during and beyond adjustment-in order to achieve lasting improvements. If the impact of adjustment on the health sector can be likened to a bout of illness affecting an already malnourished patient, it is necessary not only to cure him but also to improve his general condition and stamina. My own proposals in this regard can be stated quite briefly; after all, when doctors start to write prescriptions they are swift even if they are not always sure !

To start with, the state must accept that it has to play the prime role in the health sector. The state alone can play a role in preventive health, in maternal and child services; and in family welfare. It has also to play a much larger role incurative health if existing gross injustices and inequalities are to be reduced instead of being aggravated.

Budgetary resources for the health sector should be increased to reach, within a period of about 10 years, the norm of 15 percent of total governmental expenditures. As a developing country, India urges industrialized nations to conform to targets for development assistance. It is equally, if not all the more, necessary for the government to accept an internal target for fulfilling obligations to its own people. Reaching this target in a decade will involve no more than a 15 per cent annual increase in real budgetary allocations from a low base. This should be entirely feasible. Additional resources for the health sector can be found in many ways such as reallocation of priorities, eliminating waste and leakage in government expenditure, and most importantly through better collection of taxes. Current efforts to reduce the fiscal deficit fall very heavily on expenditure reduction and quite lightly on revenue mobilisation. There is no reason why this should be so in a country where black money is rampant and nearly 75 per cent of taxable incomes go unreported.

Within the health sector itself, there is scope for cost recovery and for much more cost-effectiveness. Better cost recovery in curative services from those who can afford to pay, which is being strongly urged by agencies like the World Bank, is unexceptionable in principle but for a variety of reasons too much should not be expected in practice from this avenue. In India, public hospital facilities are used mostly by the poor; the poor already have to incur considerable indirect costs for obtaining medical care on travel, waiting time, foregone earnings, and bribery; and income screening is generally a game that is not worth the candle under our conditions.

The brunt of the emphasis will, therefore, have to be on cost-effectiveness which should be understood as not cost reduction *per se* but maximising value for unit of expenditure through improvements in the total factor productivity of all human, material, and financial inputs. Specifically, this will involve much better motivation, management, supervision, and discipline at all levels of the health administration. Private practice among government doctors will have to be effectively banned; moon-lighting of para-medical personnel must be curbed; and corruption, waste, and leakage at all levels and in all forms put down with an iron hand.

There has been a rapid increase in drug prices even in the last few months. India must firmly oppose changes in patent laws which might result in alarming increases to drug prices. Financial allocations for the free supply of drugs in PHCs must be increased so as to adequately meet demand. The use of only essential drugs should be enforced in public facilities and promoted in the private sector as well. The share of the public sector in their production must be increased. The subsidisation of high cost essential drugs may also become necessary.

Medical education in India is much sought after and is highly subsidized. There is need and scope for the state to impose societal obligations on medical graduates by requiring them to undergo a minimum period of public service in rural and semi-urban areas. The output of MBBS graduates has remained stagnant for many years despite increases in population and incomes, a good proportion of our doctors migrate; and the population-doctor ratio needs to be brought down. There is, therefore, a strong case for increasing output; also, a clear case fo higher cost recovery in medical education

The private sector in medical care and diagnostic services has mushroomed in large cities giving rise to rank commercialization, unethical practices, and negligence. However difficult it might be, it is necessary to formulate policies and procedures to regulate and monitor the private sector. They could include effective mechanisms for self-regulation, in consultation with responsible sections of the profession.

Given the episodic nature and lumpy cost of illness, insurance has a logical role to play in the financing of medical care. Government can promote poor-oriented medical insurance in three ways learning from Latin American and Chinese experience. Compulsory social insurance can be promoted for occupational groups in the organised and unorganised sectors. Secondly, special incentives can be given to voluntary agencies who provide health care in their own institutions or through participating doctors on the basis of insurance. Thirdly, insurance can be linked to decentralised health services provided through local bodies.

Decentralisation is of crucial importance for promoting accountability, for raising local resources for the health sector, and for giving content to the objective of participatory health care. The village health guides scheme introduced by the Janata government in 1977 still covers only half the country. Learning from the experience of the last 15 years, a new momentum can be given to this scheme in terms of both coverage and effectiveness. Panchayat raj institutions must be given a clear mandate for monitoring primary health care, maternal, child and family welfare services, health education, and water supply and sanitation.

Finally, I come to the voluntary sector. Voluntary agencies are the most encouraging aspect of the health scene in India. They have grown in numbers and have shown a deep commitment to health care. They still, however, add up to a relatively small proportion of total facilities and there are considerable variations among them in the magnitude and quality of coverage, financial viability, and sustainability of leadership. There is much scope for voluntary agencies to work together, under the leadership of the VHAI and otherwise, on two main fronts. One would be for sharing experience, promoting replication, for the larger and established agencies to help upgrade the smaller and newer ones, and for organizing common services such as training, action research documentation, and fund raising which can help the entire community of voluntary agencies. The second will be to create a common platform for lobbying and advocacy. Despite much rhetoric, the government's attitude to the voluntary sector remains one of benign neglect at its higher levels and often of indifference or hostility at the field level. Voluntary agencies have to work together to bring about an attitudinal change. Specifically, they must collectively demand a reform of the archaic grant-in-aid system. Net-deficit grants should be replaced by fair and flexible proportionate grants; grants must be concurrent with expenditures; and audits and inspection should not be inquisitorial.

V

The agenda I have outlined would naturally and logically follow from any review of the health situation in India. There is nothing that is startlingly novel about it and few are likely to dissent from it on a conceptual plane. Even so, as I see it, its acceptance will not be easy because of two main reasons. The first is that health does not enjoy what might be called a natural political constituency. It is difficult to mobilise

opinion for the better provision of a collective good such as preventive health or sanitation because being everybody's business such things tend to be viewed as nobody's particular concern. When it comes to curative services, its clientele resort to them infrequently and episodically, they are not like the regular clientele of fair price shops or metropolitan transport services. On the other hand, the suppliers of medical services can be expected to resist any reform that is likely to affect their entrenched vested interests. They are mostly urban, well organised, and articulate and have considerable political access and clout unlike the users who are mostly rural, poor, illiterate, and unorganized.

In these circumstances, generating the needed political and administrative will for reforming the health sector will not be easy. It will demand persistent and energetic advocacy, against the current and at different levels : with parliament and legislatures, through pamphleteering and the use of media, and most importantly at the local level in the form of exposing, and seeking redress for, corruption, maladministration, and commercialization. In recent years, environmentalists in India have shown the way along these lines. The voluntary sector in health has reached a size and standing where it can also provide a similar leadership in building a broad based alliance for health. We must, however, recognize that it will not be possible for any such alliance to desist from politics and, when it becomes necessary, from confrontation.

Let me recall the words of Dr. B. C. Roy in his Presidential address to the All India Medical Conference in Lahore in 1929. He said: "I have very definite views on whether this Association should take up matters which, in common parlance, are dubbed political. In India we have never regarded the various affairs of life as being in watertight compartments: politics, technically so called, is intermixed with economic, social, and medical problems. If politics means the science of organization for the purpose of securing the greatest good for the largest number, I declare, we members of the profession *dare* not keep away from politics."

If the politics of health in India today favours those who stand in the way of reform, by the same token, change cannot be brought about except through political activism. In the body politic, as in the human body, natural immunological factors have to be provoked into a course of conflictual correction.

Book Review

Arun Ghosh, *Planning in India : the challenge for the nineties*
(New Delhi, Sage Publications, 1992 pp 287 - Rs. 240)

In early 1991, Arun Ghosh, who was a member of the Planning Commission appointed by the National Front Government under V. P. Singh published a series of articles in the *Economic and Political Weekly* indicating the main features of what would have been the Eighth Five Year Plan 1990-95 had the V. P. Singh government continued in office. The intention of these articles was "to explain to the people of the country at least the substantive part of the philosophic approach that informed the thinking of the Planning Cammission of December 1989-November 1990 vintage", The book under review is an edited version of those articles.

The 'Approach to the Eighth Five Year Plan' discussed and approved by the National Development Council in October 1990 had laid out the basic philosophy of the new plan : its main thrust was to ensure that the mass of people in the country had access to a livelihood by participation in productive economic activity. In this sense it was to be a departure from earlier plans, especially the Sixth and Seventh plans of the 1980s which had accepted the pursuit of aggregate growth as the primary objective. By the beginning of the new decade, it had become clear that what was considered to be the new growth path of the economy in the 1980s was accompanied by an alarming shrinking of the growth of employment in all sectors of the economy, including agriculture. Also, the high growth of that decade, especially during the second half under the new economic strategy of the Seventh Plan was made possible by heavy borrowing within the country and outside with consequent budget deficits and balance of payment problems which had made themselves conspicuous by the end of the decade.

The task that the new government faced was to correct these imbalances and to bring about a directional change. It was this change in direction that the new Planning Commission was asked to spell out.

The basic ingredients of the correction process were quite clear. If the participation of the masses in productive activity was the prime objective, employment

generation, especially in the rural areas, was to be the first task. This necessitated specific designing of economic activities in different parts of the country depending on geophysical factors and specific needs—a task that could not be achieved through plans for centralised investment decisions alone. Thus decentralised planning emerged as the chief operating principle. Consequently planning had to be substantially de-bureaucratised and decentralisation had to be effectively democratised. A reversal had to be made of the heavily import-intensive and energy-intensive process of industrial growth which was the main component of the high growth strategy of the 1980s.

Based on the work that he and his colleagues in the Planning Commission did. Arun Ghosh works out, in 15 chapters in the book, some details of such a plan. Employment, agriculture and the management of water resource, education and health, balance of payments, energy and ecology, pattern of industrial growth and the financial implications of the plan are the main issues dealt with.

It is impossible to touch upon all these aspects in this review. I shall take up a few major concerns. The first has to be the employment question. It may be recalled that the Right to Work was one of the election promises of the National Front in 1989. What it meant operationally had not been fully worked out. If it meant something similar to the Maharashtra Employment Guarantee Scheme, the annual implication of it would be something like Rs. 13,000 crores, it was estimated. With a GDP in 1989-90 of Rs. 4,43,000 crores why would that be considered not feasible, asks Ghosh. He also reminds that the initial impact of the Fourth Pay Commission's recommendations in favour of the small minority of salaried people in government and related areas was Rs. 9,000 crores. But the right to work did not necessarily imply the government assuming responsibility to provide salaried jobs to all who desired it, but only to ensure gainful opportunities of work to all citizens, says Ghosh, and that depends on how the economy functions, and made to function through decentralised planning, whereby people in each locality would accept responsibility to design economic activity in their own areas. Concrete examples of how this would happen through local initiative are cited on pp 228-29. The need for area planning and to stimulate rural industries is also dealt with. It is recognised too that as against a 1.55 per cent per annum rate of growth of employment in recent years, it would have to become 3 to 4 per cent per annum if all are to be gainfully employed by 2000 A.D., and that this would require some drastic change in the Plan strategy. However, the recognition of magnitude is not matched by specific indications of how it is to be achieved. Perhaps, if a Five Year Plan were to be fully worked out along the lines suggested, more could have been expected.

In the people oriented planning agricultural development and for that management of water resources play crucial roles. Similarly village and small-scale industries too would need to be encouraged. Ghosh points out that for the latter a major issue is to make credit available adequately and easily and argues that the traditional and small units do not require any special consideration in this regard, but only something similar to what the modern and large units get as a matter of course from the financial institutions. This is not to say that the modern sector is to be neglected. In a programme of planned development modern industries have a significant role : steel, engineering industries, electronic

industry, petrochemicals and fertiliser are specifically examined.

The chapter on balance of payments documents the fact that what appeared as a crisis in 1991 was not the result of the happenings of the preceding year, particularly the Gulf War, but the deficits on merchandise and current account payments which shot up enormously from 1984-85 to 1989-90 during which current payment deficit as a percentage of GDP had jumped from 1.2 to 2.6. This had happened during a period of a satisfactory growth rate of exports and hence it was clear that import surpluses and increasing interest payments on growing borrowings were the main causes of the crisis. Hence both the short-term and long-term solution to the problem called for a critical re-examination of imports and foreign collaborations. Ghosh's conclusion is "First, we should seek foreign investment in all areas other than consumer goods manufacture . Where a reduction in costs of production is an important objective. Second, we should deliberately seek and welcome foreign investment where technological upgradation is an urgent need.. ... The basic issue is selectivity". (pp 188, 189).

That shows that the directional change that was suggested was not a plea to cut the Indian economy from the world economy. Neither was it against "liberalisation", whether internal or external. In order to capture the essence of the change postulated: a comparison may be made between it and the directional change that is being currently attempted. Both call for major adjustments necessitating a period of adjustments of three to five years (as is being frequently suggested now) during which the results may appear to be negative. Both call for debureaucratisation and liberalisation. Both welcome closer links with the global economy including a more positive role for foreign capital. Both call for a reduction in budgetary deficits. It is important to emphasise these aspects that the two have in common. But then, what is the difference? In the changes now being attempted the basic consideration is the profitability of capital, the kind of alternative that Arun Ghosh outlines in this book, the central issue is the involvement of the mass of people in efforts to ensure their livelihood. From this perspective, the two are fundamentally different.

The alternative policy package that Ghosh indicates in this book deserves careful and critical study. It is a pity indeed that before it could be nationally debated something quite different has begun to be implemented. But who knows, the situation may change again.

C. T. Kurien

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